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East Asia

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Australian Minister Addresses 'Canberra Commission'

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[Address by Australian Foreign Minister Gareth Evans to the opening session of the Canberra Commission on the Elimination of Nuclear Weapons in Canberra on 23 January: "Achieving a World Without Nuclear Weapons"]

[FBIS Transcribed Text] The task confronting this Commission is as ambitious and important as any task could possibly be. It is to make the case, if it can be made, as to why the world should now strive for the absolute elimination of nuclear weapons; it is to make the case, if it can be made, as to how such elimination might be achieved in practice; and it is to articulate these cases, assuming they can be made, in such clear and compelling terms that governments around the world will be persuaded to make the necessary commitment and take the necessary action.

I don't think we could have gathered any group of individuals more capable of tackling these challenges. The expertise and experience, individually and collectively, of the Commissioners, and those whom we have assembled to advise you, equip you more than any group ever previously assembled to address the issues before us.

I know that you are united from the outset in your commitment to making this world a safer and saner place. It may well be that you are less united, at least at the outset, in your analysis of the issues and the prescriptions you are inclined to make. But our hope, in convening this Commission, is that the skills, professionalism and open-mindedness that you all bring to this table will ensure that, if common ground can be found, it will be found, and that your final report will be, as far as possible, unanimous.

It is not for the Australian Government to tell you how to do your job, and I certainly don't propose now to do that. We have seen our role in all of this as facilitative, not prescriptive. But it may nonetheless be helpful, as an initial stimulant for your discussions, to spell out the key issues as we see them. If we have it wrong, I have no doubt that you will be the first to tell us.

The first big issue that has to be tackled is obviously the question of "why". Why, given the global peace we have enjoyed since the nuclear age began, does it make sense now to seek the elimination of nuclear weapons? Why should the present nuclear weapons states give up their deterrent nuclear capability? And why should the present nuclear have-nots renounce their right to acquire it?

The short answers, in Australia's view, are these. No-one's security will be helped by the continued existence of nuclear weapons. And everyone's security will be enhanced by their destruction.

As to nuclear weapons not helping security, these points can be made:

— In the post-Cold War world, and in a globe where the forces of economics and technology are working more and more to unite states in common, cooperative strategies rather than to divide them, the prospect of any of the present nuclear weapons powers launching a nuclear attack on any other is presently negligible, and will remain so. One would not expect any of the nuclear powers to move to disarmament unilaterally, or other than on a step-by-step basis maintaining stable deterrence on the way down — but there is no reason why the threat of nuclear aggression from other nuclear powers should stop any of them from making the commitment to zero.

— No credible case can be made for any state maintaining a nuclear deterrent against the possibility of non-nuclear aggression from another country. One of the most difficult issues for the Commission to tackle will undoubtedly be the stated strategic concerns of countries like France — invaded twice this century — and Israel, vastly outnumbered by its Arab neighbours. But the truth of the matter is that internal and external political constraints have made in the past, and will make in the future, nuclear weapons effectively unusable in any contingency short of a response to direct attack with nuclear weapons against one's own territory or armed forces.

— Nuclear weapons are useless in dealing with the kind of ethno- nationalist conflicts, humanitarian disasters and economic crises that have become the most common security challenges in the post- Cold War world.

— So long as anyone retains nuclear weapons there is always a risk, however small, of their accidental or inadvertent use.

An even more important set of "why" arguments, however, is that a genuine commitment to elimination is crucial to stop nuclear weapons proliferation — not only to the threshold and undeclared states, but to many other countries as well with the technological and economic capacity to acquire them.

— Non-proliferation enhances security simply because with proliferation, nuclear risks are dramatically multiplied — ie the risk of accident or inadvertent misuse by anyone, and the risk of deliberate use by regimes less inhibited than those who have so far governed the present nuclear weapon states.

— Without concrete moves towards the destruction of existing weapons by the declared nuclear powers, it will simply not be possible to embrace the threshold and undeclared states, or anyone else, in the bargain: no-one is going to play until they see the field as level, or at least becoming so.

— Without a serious commitment to elimination by the present nuclear haves, it is not going to be possible to put in place the kind of highly intrusive verification measures that will inhibit potential rogue states and sub-state groups from acquiring nuclear capability.

It is crucial to appreciate in all of this that while achieving elimination is, even on the most optimistic assumptions, necessarily going to take quite some years, stopping proliferation is a here and now 1990s issue. This Commission's mandate is not to draw a blueprint for Utopia — it is to address what is unquestionably a clear and present danger.

And in addressing that danger it is impossible to understate the burden of responsibility that lies upon the shoulders of the present nuclear haves — the declared nuclear weapon states. Resistance is growing, accelerated by reaction to the French and Chinese tests, to what are perceived, for better or worse, as hypocritical double standards by the nuclear weapons states. If a nuclear deterrent capability is necessary for France and Britain, why shouldn't it be necessary for Germany and Japan, or India or Israel or Indonesia, or for that matter Australia? If the distinguishing characteristic of permanent Security Council status has been nuclear weapons possession, why should other states aspiring to that status forego their acquisition? These are the questions to which policy makers in many countries are increasingly going to have to have answers. And it is crucial that this Commission clearly articulate the answers: that nuclear weapons are not a security solution for anyone, but a problem for everyone.

If we can satisfy ourselves and others, as I hope we can, that the reasons why we should strive for elimination are compelling, it remains to persuade ourselves and the world how this might be possible.

Four general points about this can be made with reasonable certainty at the outset.

— First, we are not going to get to zero, over any time frame, unless both nuclear haves and nuclear have-nots genuinely believe that their security interests will not be threatened by the achievement of that goal.

— Secondly, the international community will need to be satisfied that the process of elimination will not make anyone's security more vulnerable along the way.

— Thirdly, the international community will need to be satisfied that there are adequate safeguards against nuclear breakout and related threats once elimination is achieved, or is in real prospect.

— Fourthly, if real progress is to be made, it will have to be in the context of a new kind of negotiating environment — one in which every category of participant feels like a stakeholder in the outcome, and does not simply play out the familiar role of either demandeur or demandee.

How does all this translate into policy prescription? There is a mass of material already in circulation upon which the Commission can draw, and it is difficult to keep a sense of the shape of the forest while closely examining all the individual trees. It seems to me, however, that there are four broad agendas, involving differing but overlapping groups of players, that need to be identified and pursued more or less simultaneously — involving respectively the whole international community, regional groupings, the nuclear weapons states, and the threshold and undeclared states. The process as I envisage it is very much interactive: developments in all these agenda-streams will be necessary, and developments in each one of them will reinforce and help forward movement in each of the others.

The Whole International Community. In the global multilateral arena, the next agreement we need will clearly be the Comprehensive Test Ban Treaty [CTBT], which we hope and expect will be concluded this year.

Without nuclear testing, the nuclear weapon states' ability to modernise their arsenals — by developing new weapons designs, and modifying existing designs — will be seriously constrained.

A CTBT will thus break the spiral of qualitative competition between the nuclear weapons states and open the way for further nuclear weapons reductions. Cessation of nuclear testing will furthermore mean that the nuclear weapon states will find it difficult to maintain the expertise and facilities to develop more sophisticated nuclear warheads.

While it is true that a crude nuclear weapon can be developed without testing, a CTBT will also help restrict horizontal proliferation by removing the testing option for a potential proliferator.

The next global multilateral step after a CTBT will be persuading those countries which have produced fissile material for weapons to cease doing so permanently and accept international supervision of their sensitive nuclear material production facilities so that there is no future increase in the supply of such material for use in nuclear arsenals.

This will be achieved by the negotiation of a "Cut-Off" Convention banning the production of fissile material for weapons. The enrichment and reprocessing facilities in nuclear weapon and nuclear threshold and undeclared states would be either placed under international inspection or dismantled. This would be a major step forward towards the application of international safeguards to all nuclear activities in these states.

Added transparency would also come from the development of a regime requiring all states to declare and account for their present stocks of fissile material.

Additional global multilateral steps designed to boost the goal of a nuclear weapon free world include:

— The further strengthening of IAEA [International Atomic Energy Agency] safeguards, in particular by building up the International Atomic Energy Agency's ability to detect illegal undeclared nuclear facilities.

— The further development of assurances from the nuclear weapon states against the use and threat of use of nuclear weapons, preferably through an internationally legally binding instrument.

— The entry into force of the Chemical Weapons Convention, the strengthening of the Biological Weapons Convention and wide international application of export controls to materials and technology for weapons of mass destruction and their delivery systems.

The more general point that needs to be made here is that nuclear weapons were not created or used in a political, strategic or economic vacuum. Their eventual abolition will therefore not be achieved in isolation from the wider global and regional political, strategic and economic context. On the contrary, the total elimination of nuclear weapons is only conceivable, and practical, in the context of a newly enhanced global and regional security environment — one in which the concept of "cooperative security" has real resonance.

At the global level, this will mean, among other things:

— continued attention to reforming and revitalising the United Nations, and in particular revamping the UN Security Council;

— cooperative strategies to develop more effective and reliable verification measures for all categories of weapons of mass destruction;

— cooperative strategies to deal effectively with the challenge of nuclear threat and terrorism involving rogue states, terrorist groups and other extra-systemic acquisitions of nuclear explosive capability; and

— cooperative strategies to address the risk associated with the acquisition of major conventional weapon capability.

Regional Groupings. At the regional level, there is much evidence — not least here in the Asia Pacific of a major rethinking about security going on.

There is a much greater recognition that the appropriate response to new threats to security is a cooperative one: the concept of "cooperative security" is thus finding more ready acceptance.

More than ever before, regional states are disposed to look ahead and see whether conflict can be prevented or, if this is too late, whether there are mechanisms to reduce it.

More and more regional states recognise that threats to peace and stability derive from an increasingly complex range of sources, and are comfortable extending the concept of security to include non- military threats.

Some specific regional steps that would contribute greatly to the nuclear weapons elimination objective would be:

— The creation of linkages between existing or potential nuclear weapon free zones in the South Pacific, South East Asia, Latin America and Africa which already cover most of the Southern Hemisphere.

— Continued implementation of the framework agreement between the United States and the DPRK, including the successful operation of the Korea Energy Development Organisation.

— New bilateral or regional measures that build confidence and transparency in South Asia.

— Consideration of a Middle East nuclear weapon free zone or a zone free of weapons of mass destruction, in the context of the Middle East peace process.

The Nuclear Weapon States. While the whole global community has a direct and fundamental interest in the elimination of nuclear weapons, and the regime which manages that process and its outcome, the key responsibility — it must be said again — lies with the nuclear weapon states themselves. It must be recognised that the elimination of nuclear weapons will depend on decisions which they alone can make. And it must be accepted as an elemental truth that so long as any state possesses nuclear weapons, in any number, some other states will have a ready made excuse for aspiring to that status themselves.

We should be under no illusions about the size of the task of nuclear disarmament which confronts the international community. More than 40,000 nuclear warheads exist in the world today, with a total destructive power around a million times greater than that of the bomb that flattened Hiroshima.

Under START I, the United States and Russia have agreed to nuclear reductions which are seeing each country dismantle some 2000 warheads annually. Russia's stockpile is around 25,000 warheads and the United States has about 15,000 warheads. A further 1000 are possessed by the other nuclear weapon states, the United Kingdom, France and China.

When the reductions envisaged under START I are achieved, this will leave in place some 20,000 nuclear warheads.

Under START II, which has yet to be ratified, both parties have agreed to further deep cuts. But even if the dismantlement schedules can be maintained, the five nuclear weapon states by 2003 would still have around 12,000 warheads between them.

The task of these reductions requires, then, a major commitment from the nuclear weapon states. The START agreements undoubtedly represent a major leap forward in reducing the threat of nuclear conflagration. But they clearly do not remove that threat. The world still needs, if we are to achieve the complete elimination of nuclear weapons within a reasonable time-frame, a practical program of nuclear reductions to which all five nuclear weapon states are committed. The nuclear weapon states will need to pursue that program in good faith and with renewed vigour.

Much work remains to be done to identify what that reasonable time-frame would be in practice. Careful, phased reductions will be necessary, with each phase corresponding to a new strategic environment and involving changes in nuclear roles, in the operational status and size of nuclear forces, and in arms control arrangements.

Specifically, we believe that further nuclear arms reductions treaties will need to be progressively negotiated by the United States and Russia, with movement made as early as possible towards the conclusion of START III.

Further down the track, the UK, China and France will need to join the United States and Russia in five-power negotiations to achieve even deeper reductions. The complex political and technical questions associated with moving from the START process to five- power negotiations include issues of parity between the nuclear stockpiles, the timing of negotiations and the sequencing of reductions.

The United States and Russia can prepare the ground for five power negotiations by developing a series of interim confidence building measures. For example, the United States and Russia might share information and expertise with the other three nuclear weapon states on how complex START provisions are verified.

And the task does not end with the dismantlement of weapons. There are further processes that will also have to be pursued to make the reductions permanent and irreversible.

— The weapons components need to be destroyed.

— The weapons grade nuclear material needs to be burnt in reactors, or diluted for peaceful nuclear use.

— At the stage of dismantlement, the nuclear weapon states have a special responsibility for accounting for and protecting the components and weapons grade material.

The Threshold and Undeclared Nuclear Weapon States. A central threat to the objective of non-proliferation is posed by the position of the threshold and undeclared nuclear weapon states. And their continued refusal to join the NPT [Nuclear Nonproliferation Treaty] regime is of grave intrinsic concern not only in terms of proliferation, but also in terms of other key aspects of progress towards nuclear disarmament, not least reductions by nuclear weapon states and the conclusion of major multilateral instruments such as a CTBT.

Accordingly, a major challenge is to close the gap which exists between those states — both nuclear and non-nuclear — which have supported and continue to support the NPT regime, and those few states who do not only remain outside it but whose policies directly challenge it. Action to address this situation — to achieve the universalisation of NPT obligations — must include consideration of the NPT opponents' security concerns, and an associated demonstration that possession by them of a nuclear weapon capability diminishes, rather than enhances, their security.

In this context, the international community has witnessed several recent examples of how this might happen. South Africa took the unilateral route in renouncing and eliminating its nuclear weapons. Argentina and Brazil developed a bilateral approach to reassuring each other of their nuclear intentions.

It must be recognised that the universal acceptance of non-proliferation obligations through membership of the NPT will be essential to all three stockpile reduction processes to which I have referred — ie by US-Russia, by all five declared nuclear powers, and by the threshold/undeclared states.

A New Global Nuclear Compact. What I have just taken you through is an extensive, and perhaps rather daunting, list of international negotiations and processes which can advance the goal of a nuclear weapon free world, taking into account the issues that must be resolved if that goal is to be achieved.

But something more is needed, I think, to give the world the necessary momentum and political will. When it comes to the elimination of nuclear weapons, the saying that the whole is more than the sum of its parts has a particularly resonant, catalytic meaning.

What is needed now is really a new global nuclear compact. By this I mean a shared global understanding and commitment by both the nuclear weapon states and the non-nuclear weapon states to enter, in good faith, into the necessary set of separate but related negotiations and processes — bilateral, regional and multilateral — on the basis that their overall, holistic purpose is to fulfil the promise that we shall live in a world free of nuclear weapons.

The sort of global compact I have in mind would not be a treaty or formal arrangement. It would not seek to replace or transcend well established global norms such as the NPT. Nor should it be seen as advocating the sort of tight, sterile linkage that holds one negotiation or process hostage to the conclusion of another. On the contrary, it would be a high level political understanding between governments — perhaps eventually expressed in written declaratory form — about what it is we are seeking as a total outcome of the various relevant negotiations and processes. Against such a background it should be much easier to give shape and content and momentum to those processes.

Without the sort of global understanding or compact I am talking about, it is going to be very difficult indeed to create the new kind of negotiating environment that I spoke of at the beginning, one in which each player feels like a stakeholder in the outcome. And unless every player does feel like a stakeholder, and negotiates accordingly, the goal of a nuclear weapons free world is going to remain very elusive.

Even the most perfunctory history of arms control negotiations shows us that the road to final success is often unpredictable, paved with good and bad intentions alike. Apparent breakthroughs may prove to be time consuming cul-de-sacs, while seemingly impossible obstacles may be overcome at the last minute more by high-level political will than dazzling technical expertise.

It may be that, at the end of the day, if the elimination of nuclear weapons is achieved, the precise path by which the world gets there will differ significantly from the blueprint which we hope will be developed by this Commission. But none of this is an argument for simply letting history take its course, and making no effort to shape it.

If anything is to happen it will only be because governments want it to happen, and governments need ideas and blueprints and stimulation and persuasion if they are to act. Political will does not spring from a vacuum: it needs cultivation and stimulation by the force of ideas.

This Commission is uniquely well-placed to develop those ideas. You have the eyes of a great many people around the world upon you, and a high burden of expectations to discharge, but I and the Australian Government have every confidence that you will meet these challenges.

The time-table is short and a great deal of work has to be done. You will need to prioritise very hard, but feel free to make demands of us. The Australian Government — through the Commission's convenor, Ambassador Richard Butler, and the secretariat established to assist you — stands ready to offer all the help we possibly can to ensure the success of your endeavours.

We hope and expect that there will be a vigorous exchange of ideas from Commissioners, but at the end of the day we also very much hope that you will be able to find consensus on a worthwhile package of analysis and prescriptions.

We eagerly await the results of your discussions and your final report. I and the Australian Government have every belief that your deliberations will make an historic contribution to — and in fact be a watershed stage in — the achievement of a nuclear weapons free world.

ITU Working-Level Meeting Opens in Miyazaki, Japan

OW2901053596 Tokyo KYODO in English 0211 GMT 29 Jan 96

[FBIS Transcribed Text] Miyazaki, Japan, Jan. 29 KYODO — A meeting of a research panel of the International Telecommunications Union (ITU) started Monday [29 January] in the southwestern Japan city of Miyazaki.

Some 400 telecommunications experts and government representatives from 30 countries are taking part in the meeting and will discuss how to standardize signal formats for the world's future telecommunications networks such as the integrated service digital network during the 19-day meeting that will end Feb. 16.

This is the first time for the city to host such an international convention.

The ITU is a Geneva-based UN agency comprising 184 member countries and devoted to promotion of technical cooperation and harmonizing national policies in the telecommunications field.

The research panel is part of the ITU's telecommunication standardization sector set up in order to standardize telecommunications throughout the world.

Japan

Japan: JAL Head Advises 'Unilateral Scrapping' of Accord

OW3101145396 Tokyo KYODO in English 0910 GMT 31 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 31 KYODO — Japan Airlines (JAL) President Akira Kondo said Wednesday [31 January] the airline wants to implement a new airfare system, perhaps from early June, under which an airline would be allowed to set fares within certain limits approved beforehand by the Transport Ministry.

Kondo told a news conference that JAL will file an application to obtain the ministry's permission on specific figures for the upper and lower fare limits it envisions, perhaps later this week.

JAL will file more specific applications in March for specific fares for each route it is now operating, he said.

Kondo suggested the company may lower fares on certain routes in line with the new system, depending on the season, saying, "We have taken into consideration the need to compete with other airlines and Shinkansen Bullet Train services."

Some potential airline customers have defected to the bullet train services which the Japan Railway Group of companies offers at lower prices to Japanese cities that are also served by airlines.

Kondo also urged the ministry to take a tougher attitude in cargo aviation talks with the United States, slated to start on Monday over securing new cargo flight routes.

The ministry "should envision a unilateral scrapping of the 1952 aviation pact as a policy option, as the U.S. is urging Japan to accept a liberalization policy that would be beneficial to itself," he said.

Japan: Kajiyama Says Tokyo Not To Request U.S. Troop Cuts

OW3101040696 Tokyo KYODO in English 0356 GMT 31 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 31 KYODO — Japan does not intend to ask the United States to cut the number of U.S. troops stationed in the country — currently 47,000 — because the bilateral security arrangement depends on the U.S. military, a top government spokesman said Wednesday [31 January].

Chief Cabinet Secretary Seiroku Kajiyama said it would be hard for Japan to say it would allow a certain number of U.S. troops and no more in view of the importance of the security arrangement.

He made the remarks at a press conference when asked if Japan should urge U.S. troop cuts in the wake of Tuesday's proposal from the southernmost Japanese prefecture of Okinawa to recover all local U.S. military sites there by 2015.

Kajiyama said the government will consider how to respond to Okinawa's wish to reduce the heavy local U.S. military presence, while firmly maintaining the bilateral security setup.

In a working-level consultation Tuesday, Okinawa submitted to the central government a blueprint calling for all local U.S. military bases in Okinawa to be returned in 20 years so as to make the island into a hub of exchanges with the Asia-Pacific region with resort and research functions.

Japan: More Relocation Sites Selected for Live-Fire Drills

OW3101081296 Tokyo YOMIURI SHIMBUN in Japanese 28 Jan 96 Morning Edition p 1

[FBIS Translated Text] As of 27 January, the government decided to increase the number of alternative sites for U.S. forces' live-fire exercises now conducted across Prefectural Highway 104 on Okinawa. Studying transferring the drill to the Ground Self-Defense Force's [GSDF] exercise fields on mainland Japan, the government has so far chosen five areas for relocation. With the selection of four more sites, the government intends to promote its relocation plan gradually.

After conducting a survey on these sites, the government wants to make a final decision next summer. However, since opposition from local governments near the newly selected areas is certain, tough going is expected in negotiations with the locals.

The government has already included necessary spending for studying the five large exercise fields in its next fiscal year budget plan. Among them, the most feasible relocation sites are Fuji (Shizuoka, Yamanashi) and Hijudai (Oita).

However, some local governments near these five exercise fields have already voiced opposition to the relocation. Seeing this, the government judged that "it is necessary to choose more alternative sites, where we can easily obtain local understanding" (a government source). As a result, middle-sized firing ranges are now the subjects of government studies.

These newly selected areas are Sekiyama (Niigata), Kamifurano (Hokkaido), Shirakawa-Nunobikiyama (Fukushima), and Aibano (Shiga), where it is possible to conduct live-fire exercises at a range of approximately five kilometers — on the same scale as the exercises U.S. forces conduct across Prefectural Highway 104.

At meetings of the special working group on relocation formed under the Japan-U.S joint committee last October, the United States requested that 1) U.S. forces be allowed to conduct a three- or four-day drill more than ten times a year; and 2) a live-fire drill across Prefectural Highway 104 be allowed in case of emergency.

The most workable plan is to conduct drills in several exercise fields by turns. Under this plan, the U.S. forces will stay in each field for several days for exercises.

Since "it is difficult to transfer all of the drills to the mainland at once" (Defense Agency source), the government intends to take several years, proceeding gradually with the relocation.

By closing the prefectural highway, the U.S. Marine Corps on Okinawa has conducted live-fire drills for about 30 days a year at Camp Hansen. Concerned over danger and environmental disruption stemming from the drill, Okinawa has strongly demanded abolition of the drill. Therefore, at the Japan-U.S. summit last January, both governments agreed to solve the three pending issues soon — that is, return of the Naha naval port facilities and Yomitan auxiliary airfield and relocation of live-fire exercises.

Japan: Ex-Minister Leaves for U.S. Bases Tour in Europe

OW3101084096 Tokyo KYODO in English 0736 GMT 31 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 31 KYODO — Former Foreign Minister Taro Nakayama, now head of the ruling coalition's Foreign Affairs Coordinating Committee, left Wednesday [31 January] for Germany and Belgium where he will make an inspection tour of U.S. military bases there.

Nakayama will be inspecting the bases as part of the coalition's efforts to resolve the question of reducing U.S. military facilities in Okinawa Prefecture.

Nakayama, of the Liberal Democratic Party (LDP), the largest party in the tripartite coalition, is then scheduled to fly to the United States on Feb. 7 for an exchange of opinions with members of the State Department, Defense Department and Congress.

He will be joined in the U.S. by members from the other two coalition parties, the Social Democratic Party and New Party Sakigake [Harbinger].

On Tuesday, the Okinawa prefectural government called for the removal of all U.S. military facilities there by 2015 in a proposal submitted to the central government. Okinawa residents have voiced a number of complaints about the U.S. military presence there, including noise around airfields and live ammunition firing exercises, but antimilitary sentiment has been focused recently on the trial of three U.S. servicemen charged with raping a local schoolgirl last September.

Japan: Construction 'Likely' To Focus on Controversial SOFA Points

OW2801114996 Naha OKINAWA TIMES in Japanese 28 Jan 96 Morning Edition p 17

[Unattributed article]

[FBIS Translated Text] Katsuren — Beginning around late last year, U.S. forces on Okinawa started constructing a meteorological observation radar station on military grounds on the hills overlooking White Beach, a U.S. naval base in Heshikiya, Katsuren Township. The location is adjacent to a private residential area and is also the site of ancient ruins. Municipal authorities have not received any applications for confirmation of the construction project, and the local board of education has not been notified, either. Municipal authorities are baffled, saying: "We heard something about it about four or five years ago, but we have not been briefed on any details."

Constructors are erecting a meteorological observation radar antenna that stands 30 meters high and an accompanying administrative building. Ground-leveling work began late last year, and a steel framework to support the radar antenna was set up as of 26 January. The Public Affairs Office at the Command Fleet Activates, Okinawa, which controls White Beach facilities, has explained that "the radar station is for conducting meteorological observation to provide data required by aircraft."

The construction area is the site of the Heshikiyabaru ruins, which are ancient ruins believed to date back to the middle of Okinawa's shell-mound era. During a geological survey in 1991, the remains of dugout dwellings and earthenware and other relics were found at the excavation site. Yasukichi Uezu, director of the Katsuren Board of Education, said in astonishment: "The municipal government should be notified if ancient ruins are found even if they are located inside a military base. We would like to investigate the details and then decide on what we have to do."

The local landowners association has also reacted because the construction has been started abruptly, and it has requested the Naha Defense Facilities Administration Bureau [DFAB] for an explanation. Construction has temporarily been halted from the afternoon of 26 January after the DFAB notified the military authorities. Katsuren municipal authorities plan to request the military authorities for an explanation early next week and then decide what course of action they should follow.

Katsuren Mayor Shintoku Kurato has said: "Even though we may have heard something about this four or five years ago, it is a matter of course that we should have been given some sort of explanation. We are worried about the destruction of cultural assets, among other things. We would like the military authorities to give us a thorough explanation."

Under the Status of Forces Agreement [SOFA], U.S. forces have administrative authority over activities inside military bases. There is a provision in the SOFA that allows the military to conduct any activities as long as they have no adverse effects in regard to public welfare. Under this provision, military authorities are not required to notify nor consult local municipal authorities about such activities.

In 1992, a project to pave a road for tanks was undertaken in Camp Hansen without any notification to local municipal authorities. Red soil drained into the ocean as a result of the road construction. At the time, the central government maintained that it "was in no position to ask the U.S. forces to halt individual construction projects." The latest construction project in Katsuren is likely to bring out controversial points of the SOFA into the focus of public attention, once again.

Japan: U.S. Forces Meet Town Government on Observation Radar Site

OW3101145096 Naha RYUKYU SHIMPO in Japanese 31 Jan 96 Morning Edition p 25

[FBIS Translated Text] Six representatives of the U.S. Navy and Air Force visited the Katsuren Town Government at 1400 [0500 GMT] on 30 January regarding the ongoing construction of a meteorological observation radar inside a U.S. military facility in Heshikiya, Katsuren. They discussed the project with the town government and the landowners.

During the meeting, the Katsuren Government demanded a change in the construction site. It asked that a briefing for landowners be held, and that construction work should be halted until the local community's consent is obtained.

In response, the U.S. Military agreed to hold the briefing, but with regard to the change in construction site and halting construction, the representatives said they would "bring the problem back to their superiors for discussion."

This project involves the construction of a meteorological observation radar and two associated buildings for the Air Force. The site is located inside a military facility managed by the U.S. Navy in the White Beach area. This area is where the ruins of Heshikiyabaru are located. Remains of pit dwellings and earthenware have been found.

The construction is not a project of the Naha Defense Facilities Administration Bureau, but one undertaken by the U.S. Military on its own. For this reason, there was no need to apply for a construction permit under the Construction Standards Law, based on the provisions of the Japan-U.S. Status of Forces Agreement, and an application has not been made with the town government. The construction was only discovered last week. The landowners' association demanded a halt to construction, and the U.S. Military stopped the project on 26 January.

The town government demanded that: 1) the construction site be changed because it is an archaeological site, 2) a briefing for the local landowners be held as soon as possible, 3) construction work be suspended until the local community's consent is obtained, and 4) there should be no radio interference in the local community.y

In response, the U.S. Military apologized for not giving an advance briefing to the local community before starting the construction. It also guaranteed that there will be no radio interference and promised to hold a briefing for the landowners' association within a week.

Japan: Pentagon Memo Warns of Tokyo's 'Spying'

OW3101024096 Tokyo KYODO in English 0230 GMT 31 Jan 96

[FBIS Transcribed Text] Washington, Jan. 30 KYODO — A U.S. Defense Department official has circulated an internal memo to defense contractors warning them to watch out for spying by Japan, France, Israel and other allies, according to a copy of the memo obtained Tuesday [30 January] by KYODO news.

"Many of our military 'friends' are our economic/industrial threats," said the memo issued by an official of the department's Defense Investigative Service (DIS) which oversees security at defense contractors.

"Some of these are countries we deal with on a day-to-day basis (ex: France, Italy, Israel, Japan, Germany, UK, etc)," it said.

"The purpose of this education is to heighten your awareness to prepare you for this type of encounter, whether it comes from a U.S. citizen or foreign national," the memo said.

"Please notify me immediately if you feel you have been approached by someone soliciting personal/work related information from you beyond what would be expected in a normal contact."

The memo also said that the DIS and other intelligence agencies, including the Federal Bureau of Investigation and the Central Intelligence Agency, "are banding together to gather and disseminate counterintelligence information to the National Counterintelligence Center."

"Never before has this type of threat data been assembled by the government and shared with industry on a real-time basis," the memo said.

Pentagon spokesman Ken Bacon told reporters the memo "does not reflect the views of the Department of Defense or the Defense Investigation Service."

But the memo suggests that the administration of President Bill Clinton includes the defense industry in its recently advocated policy of beefing up intelligence activities in the economic area to boost U.S. exports.

"Counterintelligence awareness is critical...to our country's economic competitiveness," the memo says.

On Monday, the Jewish Anti-Defamation League strongly criticized the four-page memo, which includes a three-page note on espionage activities by Israel.

Brushing off the memo, Bacon stressed, "Israel is a very strong and loyal ally."

Japan: Talks With U.S. on Harbor Practices Reported

OW3101053996 Tokyo KYODO in English 0525 GMT 31 Jan 96

[FBIS Transcribed Text] Washington, Jan. 30 KYODO — The U.S. Government demanded Tuesday [30 January] that Japan change its practice of harbor loading and unloading, alleging it is inefficient and hinders the operations of U.S. shipping companies, Japanese officials said.

The demand came in bilateral talks on shipping systems, held in Washington, the officials said.

In Japan, shipping companies are required to weigh a containerized shipment even though shipping charges are decided by the number of containers and negotiate with labor unions on matters related to loading and unloading operations.

The United States and European Union (EU) have been making complaints against Japan on the issue.

In the talks, Japan revealed its plan to gradually ease the requirements for weighing containerized shipments and to review the extent of loading and unloading operations on which shipping companies are required to have negotiations with labor unions, the officials said.

Japan: European Official Rebuts Ford Car Pricing Claim

OW3101043596 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 Jan 96 Morning Edition p 12

[FBIS Translated Text] The Ford Motor Co. of the United States maintains in its sales promotion campaign that "European-made cars sold in Japan are comparatively high in price." However, a source at the Tokyo Office of the European Automotive Industry Association has refuted this claim. While admitting that cars sold in Europe are different in price from those sold in Japan, the source explains that "a larger amount of funds is invested in Japan than the amount invested by U.S. makers," (as stated by A. Millington [name as transliterated], board chairman of the Tokyo Office), thereby maintaining that the price is set at an appropriate level. With regard to the fact that some European-made cars have been pointed out as being of the same rank as Ford's "Mondeo" [name as transliterated], the same source contests that "they are apparently different in rank."

As for the reasons why European-made cars sold in Japan are comparatively high in price, Mr. Millington cites the following: when compared with U.S. makers, European makers have invested a larger amount of funds in such fields as distribution; and they have carefully tried to meet the demands of Japanese users.

Japan: Canada Urges Cut in Low-Malt Beer Tariffs

OW3101031996 Tokyo KYODO in English 0138 GMT 31 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 31 KYODO — Canada has unofficially called on Japan to cut import tariffs on low-malt beer, which are substantially higher than those on imported regular beer, Japanese Government sources said Wednesday [31 January].

Low-malt beer has been gaining popularity with price-conscious Japanese consumers thanks to preferential domestic liquor tax rates. The government, however, plans to raise the tax on low-malt beer from October, narrowing the gap.

Canadian brewers argue that foreign suppliers of low-malt beer will be at a disadvantage if import tariffs are not lowered because their products will face both higher domestic liquor tax rates and high tariffs, the sources said. Ottawa is expected to file a formal request on the issue shortly, they added.

Low-malt beer is brewed in the same manner as regular beer, but its malt content has to be less than 67 percent for tax purposes. The government applies a minimum liquor tax rate of 29 yen per 350 milliliter can to low-malt beer, compared with 78 yen a can for regular beer.

But the Finance Ministry has decided to bring tax rates for low-malt beer closer to those for regular beer as part of its fiscal 1996 tax reform package.

The ministry proposes that beer with a malt content of 50 percent or more be taxed at the same rate as regular beer. For beer with a malt content of less than 50 percent, the minimum tax rate should be raised to 37 yen per 350 ml can, it says.

Under the current tariff system, beer with a malt content of less than 50 percent is subject to an import duty of 15 yen per 355 ml can, far more than the 2 yen levied on cans of imported beer with a malt content of 50 percent or more.

Canadian brewers and Japanese liquor importers have been asking the Finance Ministry to cut the low-malt beer tariff rate to the same level as that applied to regular beer, but the pleas have gone unheeded, industry sources said.

The United States and the European Union (EU) could join in Canada's initiative to call for lowering the tariffs, informed sources said.

Japan's liquor tax system is a bone of contention on the international trade front.

The World Trade Organization began a dispute arbitration panel session Tuesday to discuss a complaint filed by the EU, the U.S. and Canada over the fact that Japan's tax rates on whiskey, which they export to Japan, are higher than those on the Japanese-made spirit "shochu."

Japan: Coalition 'Ready To Consider' DPRK Rice Aid

OW3101132896 Tokyo KYODO in English 1305 GMT 31 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 31 KYODO — Japan's ruling coalition parties agreed Wednesday [31 January] the government should be ready to consider a third round of rice aid to North Korea if it is formally requested at government-level negotiations with Pyongyang, coalition officials said.

The officials said the parties also decided at a policy coordination meeting that they should work for the early resumption of stalled normalization talks with North Korea.

Devastating floods last summer severely damaged much of North Korea's arable land, cutting into an already depleted food supply caused by years of poor harvests. The United Nations and the International Red Cross have called for emergency food aid to North Korea.

Whereas the second round of rice aid to North Korea was carried out under the initiative of the governing parties, the latest decision means any further aid will be entrusted to the government via diplomatic channels, the coalition officials said.

The officials said the new policy stems from suspicion that the rice might be diverted to North Korea's military and that the rice aid issue has not been linked to the promotion of normalized ties with North Korea which has not altered its critical attitude toward Japan.

A delegation of coalition policy-makers likely to visit South Korea for three days from Feb. 10 will convey the new policy to the South Korean Government, the sources said.

A request for a third round of rice aid was informally conveyed to Japan via a House of Councillors member of the coalition member New Party Sakigake, Akiko Domoto, during her visit to Pyongyang in mid-January.

The other two parties in the coalition are the Social Democratic Party of Japan and the Liberal Democratic Party.

Normalization talks between North Korea and Japan have been on hold since November 1992.

Japan: DPRK Group May Join Niigata Economic Talks

OW3001142296 Tokyo ASAHI SHIMBUN in Japanese 29 Jan 96 Morning Edition p 2

[FBIS Translated Text] The Niigata Prefectural Government has received an offer from North Korea to send a 5-member delegation to the "Niigata-Northeast Asia Economic Conference '96" to be held in Niigata city from 7 to 9 February under the sponsorship of Niigata Prefecture and other organs concerned. In response, Niigata Prefecture is now proceeding with such formalities as the application for visas to accept the delegation.

The delegation will be led by Vice Chairman Kim Ung-yol of the DPRK External Economic Cooperation Committee, which is said to be equivalent to the position of a central government bureau chief in Japan. The delegation will be the first mission to attend such Sea of Japan-rim economic talks since February 1992. At the conference, the DPRK delegates are expected to ask for Japanese industries to make inroads into North Korea.

Japan: Ruling Parties Decide To Scrutinize Bank Operations

OW3101061496 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Jan 96 Morning Edition p 2

[FBIS Translated Text] At a meeting of responsible officials of the ruling coalition parties on 29 January, the management stance of the parent banks of the housing loan companies [jusen] was discussed in relation to the issue of jusen liquidation. Stern criticism was voiced against these banks — for instance, "as a result of the continuous drop in the official discount rate, these banks reaped record high profits." In view of this, at their policy coordination committee, the ruling coalition parties decided to start an investigation into the operations of banking institutions.

At the 29 January meeting, Masakuni Murakami, Liberal Democratic Party [LDP] secretary general for the House of Councillors, first pointed out: "The people are enraged by the jusen liquidation issue. There is particularly strong criticism against the banks."

Other participants said: "If we do not take the damage the low-interest policy is inflicting on pensioners seriously, we will become the target of the people's general indignation." Still others stated that, "The people resent the high pay and handsome bonuses of bank employees."

At a news conference held after this meeting, LDP Secretary General Koichi Kato said: "The low-interest policy proposed by the ruling parties contributed to the soaring net operational profits made by the banks. The net profits of 21 city banks, trust banks and long-term credit banks in the September 1995 period totalled nearly 3 trillion yen. Many people resent the fact that the liquidation of bad loans is being undertaken without doing anything about the banks' pay scales and their branch offices." He emphasized the need to look closely at the banks' operations under the low-interest policy.

The following suggestions also came out at the meeting: 1) there should be stricter [legal provisions on] the responsibility of both creditors and borrowers similar to those in the United States; and 2) the government and the ruling parties should make clear its determination to eliminate social evils. The meeting confirmed that the government should be strongly urged to clamp down on delinquent borrowers even before the jusen liquidation organization becomes operational in April. These suggestions were conveyed to the government by Kato at the liaison meeting between the government and the leaders of the ruling parties held later in the day.

Japan: Hashimoto Supports Lifting Ban on Holding Companies

OW3101114796 Tokyo KYODO in English 1016 GMT 31 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 31 KYODO — Prime Minister Ryutaro Hashimoto reiterated his support Wednesday [31 January] for the removal of a ban on holding companies.

Hashimoto told reporters at his official residence that he has long been an advocate of the deregulation and has made clear his stance to the Fair Trade Commission since he was the international trade and industry minister.

He called for a revision of the antimonopoly law to legalize incorporation of holding companies to create new jobs and open the market wider to newcomers.

With opposition by the ruling coalition partner Social Democratic Party apparently in mind, Hashimoto said he is not seeking total liberalization of holding companies.

Chief Cabinet Secretary Seiroku Kajiyama, meanwhile, told a news conference the issue has to be studied by adjusting views within the ruling coalition.

Japan's largest labor organization, the Japanese Trade Union Confederation (Rengo), said it will oppose a revision of the antimonopoly law.

A statement issued by Rengo General Secretary Etsuya Washio said no consensus has been reached on the issue and that deregulation of holding companies will make it impossible to settle major labor problems such as terms of employment and working conditions arising from the restructuring of corporate operations.

Japan: Kubo Admits Some Blame for Failed Jusen Bailout Plan

OW3101105996 Tokyo KYODO in English 1020 GMT 31 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 31 KYODO — Finance Minister Wataru Kubo said Wednesday [31 January] the government should take the blame for a failed 1993 bailout plan for troubled housing loan companies in terms of having responsibility for the results of its measures.

"It would be difficult to say there were no mistakes in the judgment made by the government for the rehabilitation plan, given the step is behind the process of the issue developing into the current level (requiring tax money for the liquidation of the mortgage companies)," Kubo said at a press conference.

"The government has to bear responsibility for the results of its measures," he said.

Kubo, however, said, "It cannot be concluded that the judgment made by the government was completely wrong. The situation at that time should be reviewed comprehensively."

He was commenting on the bailout plan mapped out in the spring of 1993 at the initiative of the Finance Ministry for the seven housing loan companies.

Some members of opposition parties say the ministry should have decided to liquidate the mortgage companies at that time since they had found those companies were saddled with huge bad loans.

If the mortgage companies had been liquidated at that time, the issue would not have developed into the level requiring the introduction of tax money, they say.

At the end of December, the government decided to use 685 billion yen from the fiscal 1996 budget to help cover losses stemming from the liquidation of the housing loan companies.

Japan: Farm Credit Organs' Liquidation Expected in 5 Years

OW3001114796 Tokyo KYODO in English 1051 GMT 30 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — The Farm Ministry and agricultural-sector financial institutions have agreed to liquidate prefectural credit federations of agricultural cooperatives, or "shinren," in five years or so, ministry sources said Tuesday [30 January].

The agreement was reached as part of a restructuring plan for financial business of the nation's farm-sector organizations which are currently structured into three layers — agricultural cooperative associations, or nokyo, that are based on towns and cities, the shinren based on the 47 prefectures, and their umbrella organization, Norinchukin Bank.

Simplifying the structure and making it more effective has long been discussed, and is finally getting under way as a result of the ongoing project for dismantling seven housing loan companies, essentially bankrupt through massive bad loans.

The farm sector has agreed to shoulder a considerable portion of the liquidation losses of the mortgage companies for which it is the largest collective creditor. The burden is expected to plunge more than 30 shinren into the red.

The Agricultural Policy Council, an advisory panel to Prime Minister Ryutaro Hashimoto, will start working out a restructuring plan for the farm sector's financial business from Wednesday, aiming to compile a report by the summer, the sources said.

Farm-sector financial organizations are also expected to draw up their own plan by the end of March, they added.

The sources said the concerned sectors have basically agreed to transfer the business of the shinren to Norinchukin Bank and nokyo according to the scale of business.

Business which relates to comparatively wide areas, such as the extension of loans to large corporations and investment in securities, will be taken over by Norinchukin Bank, while that relating to small companies in individual local areas will be transferred to local nokyo.

The Ministry of Agricultural, Forestry and Fisheries will submit bills regarding the restructuring to the extraordinary Diet session in the fall, the sources said.

They said shinren employees, about 8,800 in total, will mostly be transferred to nokyo.

Japan: Bad Loans to Nonbanks Total 300-400 Billion Yen

OW3101125896 Tokyo KYODO in English 1221 GMT 31 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 31 KYODO — Financial institutions affiliated to agricultural cooperatives were saddled with a total of 300-400 billion yen as of March 1995 in bad loans to nonbank institutions, excluding the seven moribund housing loan companies, sources familiar with farm co-ops said Wednesday.

The dud loans constitute a portion of their total outstanding loans worth nearly 8 trillion yen to the nonbanks which do not include their nonperforming loan principals worth 5.5 trillion yen to the housing lenders, the sources said.

These institutions include Norinchukin Bank, 47 prefectural agricultural-cooperative credit federations, and small banks affiliated with thousands of farm co-ops — set up at virtually every village across Japan — which are obliged to deposit at the federations a certain portion of deposits they collect from farmers.

Norinchukin, the umbrella institution for these farm banks, is expected to fall into the red in its book-closing for the 1995 business year ending March 31, as a result of its financial obligations under a government plan to liquidate the housing lenders, or jusen, they said.

Norinchukin will pay a major portion of the 530 billion yen which the farm banks are obligated to pay in exchange for a government guarantee on the repayment of 5.5 trillion yen in the institutions' past loan principals to the housing lenders.

The balance-sheet problems of the 47 prefectural farm credit federations will deteriorate further, as they will have to dispose of their bad loans to the non-jusen institutions in the near future.

the 47 federations alone are laden with cumulative outstanding loans to the non-jusen bodies worth 2.2-2.3 trillion yen, the sources said. Of the total, their dud loans — uncollectible loans to bankrupt borrowers plus loans whose interest payments are in arrears for six months or longer — amount to 200 billion yen, they said.

Under the government liquidation plan for the housing lenders, the 47 federations are required to pay a total of 200 billion yen, and to share the burden.

As a result, some 20 of the 47 are expected to fall into the red in their book-closings for the 1995 business year.

As they will have to write off the dud loans to the non-jusen bodies in the coming years, their profitability will remain stagnant for some time, even after making respective jusen-related contributions, the sources said.

The farm banks intensified their lending to the mortgage companies and other nonbanks during the "bubble" era of the late 1980s, as they could not find healthy creditworthy borrowers for a huge pool of funds they collected from depositors in the farming community.

Farmers, who sold off their fields on the outskirts of large cities to real estate developers, deposited proceeds at the nearby farm banks, thereby boosting the size of surplus funds in the hands of the farm banks.

Their past lending activities will come under greater public scrutiny, as it has come to light that their huge lending to many of these nonbanks has turned sour, the sources said.

Norinchukin reported, in closing its books for the 1994 business year which ended last March, that it is saddled with a total of 45 billion yen in dud loans — both loans to bankrupt borrowers and those whose interest payments are in arrears for over six months.

The 47 farm credit bodies have not divulged their bad loan figures. The ministry of agriculture, forestry and fisheries will remain adamant in rejecting parliamentary demands for disclosure of their bad loans, the sources said.

Japan: MOF Leadership in Fiscal Crisis Criticized

OW3101051996 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Jan 96 Morning Edition p 2

[Editorial: "Do Not Let the Ministry of Finance Lead the Fiscal Reform Efforts"]

[FBIS Translated Text] Last weekend, the Ministry of Finance [MOF] presented supporting data to the House of Representatives Budget Committee to show that there is a fiscal crisis.

It is true that the government is in financial difficulties, and the issuance of 21 trillion yen worth of government bonds has been included in the draft FY96 budget. But what is more worrying is that the MOF may use the fiscal rehabilitation campaign to justify a tax increase.

The data presented by the MOF to the Diet, including the "Mid-Term Fiscal Outlook," are presented each year when explaining the rationale for the draft budget. However, this year's data gives special emphasis to the fiscal crisis, and strongly urges the people to undertake a fiscal rehabilitation.

For example, in order to reduce the issuance of deficit-covering bonds to zero by the year 2000 by reducing deficit-covering bonds in equal proportions each year during this period, and to level off the increase in the issuance of construction bonds in the same period (on the assumption that nominal annual growth rate will be 3.5 percent, as forecast in the new economic plan, and that the coefficient of elasticity of tax revenue will be 1.1), general budget expenditures will have to be reduced by 5 percent in each fiscal year.

This year is unique in that in addition to the above estimates, the "Estimates on Mid-Term Fiscal Prospects" was also presented. According to this document, if the shortfall in revenue income against expenditures continues to be covered by bond issuance, the total volume of bonds will grow to around 500 trillion yen in 10 years (240 trillion yen by the end of FY96).

We do not deny that the tight financial situation is a major problem. What we are worried about is the MOF's attitude. For one thing, it tried to create the impression that fiscal rehabilitation is the single greatest policy issue by presenting figures based on calculations premised on conditions in an extreme case. In that case, the same mistake that the MOF committed in the 1980's — omitting the all-important policy debate on fiscal administration compatible with the future of Japan's economy — will be repeated.

A more serious problem is that the MOF, as it has always done, seems to want to dispose of this problem following its own logic alone. If the discussion is only conducted within the MOF-sponsored advisory councils, the conclusion, as always, will be limited to such ideas as setting ceilings or tax increases. At present, it is particularly disturbing that the validity of increasing the consumption tax rate to 5 percent by autumn will be up for discussion.

Fiscal administration affects all aspects of the people's livelihood, including such questions as how to make government administration more efficient, how to support the aging of society, and how to strike a balance between cost and benefits in an aging society. It is more than obvious that these are not issues that can be dealt with within the framework of the MOF administration. The government should create a venue for wide-ranging discussions as soon as possible.

Japan Poll: High Support Rate for Hashimoto Cabinet

OW3101064796 Tokyo NHK General Television Network in Japanese 1010 GMT 29 Jan 96

[Announcer-read report; from the "NHK News" program]

[FBIS Translated Text] An NHK survey has found that 52 percent of the respondents support Prime Minister Ryutaro Hashimoto's cabinet. The support rate is more than double the percentage of nonsupporters. NHK interviewed 800 people aged 20 years or older by telephone over the weekend, and 51 percent responded.

Among the respondents, 25 percent said they do not support the Hashimoto cabinet, and 23 percent are not sure if they support it. NHK asked the reason for backing the cabinet. The largest portion, 25 percent, said the Hashimoto cabinet is better than its predecessors; 23 percent said they trust Prime Minister Hashimoto; 20 percent said they can expect the Hashimoto cabinet to take decisive actions on important issues.

Among the people who do not support the present cabinet, the largest portion, 35 percent, said they do not expect it to implement good policies. While some said they do not trust Prime Minister Hashimoto, others said they do not support any coalition parties.

NHK also asked the respondents what they want the cabinet to achieve most: 41 percent placed top priority on economic pump-priming measures, 21 percent cited the bad debts piled up by housing loan companies; 12 percent said social welfare; and 9 percent said tax reform.

NHK also asked when the public want the lower house to be dissolved: 28 percent, the largest portion, said the lower house should be dissolved by April when the fiscal 1996 budget bill is expected to have been passed by the Diet; and 25 percent said it should be dissolved around late June when the current Diet sessions end. A total of 53 percent favor the dissolution by this summer, and 21 percent said they do not see any reasons why the lower house should be dissolved before the present term expires in the summer of next year.

The survey found that the largest portion, 28.9 percent, support the Liberal Democratic Party; 10.8 percent back Shinshinto [New Frontier Party]; 5.6 percent favor the Social Democratic Party; 1.5 percent the Communist Party; and 1 percent endorse the New Party Sakigake [Harbinger]. However, 49.6 percent said they do not support any particular party.

Japan YOMIURI Poll Shows Support for Hashimoto Cabinet

OW3101010096 Tokyo KYODO in English 0015 GMT 31 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 31 KYODO — The cabinet of Prime Minister Ryutaro Hashimoto has a 56.7 percent approval rating, making it one of the most popular new cabinets, according to a nationwide poll held Jan. 27-28 by the YOMIURI SHIMBUN newspaper.

The national daily reported Wednesday [31 January] the approval rating for the cabinet soon after its inauguration Jan. 11 was the third-highest recorded in any YOMIURI poll, following the 71.9 percent for the coalition cabinet of Prime Minister Morihiro Hosokawa in 1993 and the 60.5 percent for the cabinet of Prime Minister Kakuei Tanaka in 1972.

There was a 25.6 percent rating for those opposed to the cabinet.

The survey found that 45 percent of those who support the cabinet expect it to undertake policy changes.

On the popularity of political parties, Hashimoto's Liberal Democratic Party, the dominant force in the three-party coalition, received a 35.6 percent approval rating, up 9 points from 26.6 percent in a previous survey in December.

The Social Democratic Party, another coalition partner led by Hashimoto's predecessor Tomiichi Murayama, suffered setbacks with its approval rating dropping by 2.3 points to 5.6 percent from 7.9 percent in the December survey.

New Party Sakigake, the smallest coalition partner headed by former finance minister Masayoshi takemura, enjoyed a slight increase in its popularity. Its support rate increased to 1.3 percent from 1.1 percent in the previous survey.

The support rate of the leading opposition Shinshinto (New Frontier Party) declined to 8.9 percent from 11.0 percent in the earlier survey, the daily reported.

The daily conducted the survey just before the Diet debate on the controversial government scheme to liquidate seven housing loan firms. There were 3,000 eligible voters surveyed, and 2,067 responded.

Japan: NFP Boycotts Budget Committee Session Over 'Jusen'

OW3001134096 Tokyo KYODO in English 1232 GMT 30 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — The main opposition party Shinshinto (New Frontier Party [NFP]) boycotted a House of Representatives budget committee session Tuesday [30 January] after the government refused the party's demand for more information about the ruling coalition's tax-spending plan to clean up the financial mess involving the nation's housing loan companies.

Takeo Nishioka, chairman of Shinshinto's Diet Affairs committee, later told a press conference that the party will stay away from the committee session until the government supplies materials to show why 685 billion yen of taxpayers' money is needed to liquidate the failed housing lenders known as "jusen."

The party also urged the government to present an official comment on former Prime Minister Kiichi Miyazawa's remarks in 1993 that no public funds would be used for solving the jusen problem.

The Shinshinto members stormed out of the committee session after the party's Shozo Kusakawa finished his questions over the housing loan debacle.

In response to Kusakawa's question, Prime Minister Ryutaro Hashimoto apologized for breaking the promise made by Miyazawa.

"We are not in a position to be able to keep the promise. I offer my apology," Hashimoto said.

The ruling coalition of the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake [Harbinger] plans to continue the session even without Shinshinto.

During the session, Hashimoto defended the government's scheme to wind up the crippled housing loan firms, calling it a necessary measure to maintain Japan's financial system.

"Resolving bad loans is an issue which cannot be avoided to rebuild the financial system in which public confidence has eroded and to restore confidence in it both in and outside Japan. The jusen is its symbol," Hashimoto said at the opening of debate in the lower house committee on the fiscal 1996 state budget.

"If we don't make a decision (to use public funds) now, the bad loans will grow further," he said.

The budget sets aside 685 billion yen for soaking up losses stemming from the liquidation of seven of the nation's eight housing loan companies.

The scheme, mapped out by the cabinet of Hashimoto's predecessor, Tomiichi Murayama, has sparked public anger, providing Shinshinto with ammunition to press the government to dissolve the lower house for a snap general election.

Shinshinto Secretary General Takashi Yonezawa, speaking at the committee meeting, demanded that the government provide more information about how the scheme was hammered out and also that Murayama and former Finance Minister Masayoshi Takemura be called for questioning before the committee.

Executive members of the committee are to discuss whether to question Murayama and Takemura before the panel.

Hashimoto also made an apology for a delay in disclosing information on the government plan.

Japan: NFP Continues To Boycott Budget Debate Over 'Jusen'

OW3101060096 Tokyo KYODO in English 0443 GMT 31 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 31 KYODO — The main opposition Shinshinto (New Frontier Party) on Wednesday [31 January] continued to boycott debate over a controversial government scheme to use 685 billion yen in taxpayers money to help liquidate seven failed housing loan firms known as "jusen."

Shinshinto officials said their party will boycott proceedings in the House of Representatives Budget Committee and all other Diet deliberations, other than those specifically related to Diet business, unless the government presents more information about how the amount of taxpayers money needed in the bailout plan was calculated.

Shinshinto's Diet Business Manager Takeo Nishioka told reporters that every citizen of Japan is affected by the liquidation plan, so there is no ground for the government to claim that it is protecting privileged information in refusing to provide more data on the scheme.

Former Prime Minister Morihiro Hosokawa, also a Shinshinto member, told reporters, "It cannot be helped

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if Diet deliberations come to a halt for one or two weeks. This is an important issue like the consumption tax."

The development came the day after the lower house committee opened debate on the liquidation plan, shortly after Prime Minister Ryutaro Hashimoto's cabinet endorsed a final plan to use public funds to cover up to half of any future losses from the mortgage firms.

The final scheme does not specify how much public money will be eventually needed on top of the 685 billion yen already earmarked in the fiscal 1996 budget.

Speaking at the budget committee on Tuesday, Shinshinto Secretary General Takashi Yonezawa reiterated the party's call for the government to reveal more information about how the plan's expenditures were calculated.

Shinshinto members stormed out of a committee session Tuesday afternoon over the disclosure of fund calculation data.

Shinshinto has also demanded that the government comment on a statement made by former Prime Minister Kiichi Miyazawa three years ago in which he pledged not to inflict any financial burden on the public in resolving the jusen issue.

Miyazawa is a member of Prime Minister Ryutaro Hashimoto's Liberal Democratic Party (LDP), which forms the ruling coalition together with the Social Democratic Party and New Party Sakigake [Harbinger].

Answering a question by an LDP lawmaker about the economy before the lower house committee in the absence of Shinshinto members, Hashimoto said he will make all-out efforts to prop up the economy to avoid causing any interruption in the economic recovery.

Japan: Kajiyama's Policy Advice to Hashimoto

OW3101041096 Tokyo BUNGEI SHUNJU in Japanese Feb 96 pp 130-141

[Article by Seiroku Kajiyama, Diet member and former general secretary of the Liberal Democratic Party: "Mr. Hashimoto, Stop Dawdling"]

[FBIS Translated Text] Last December, I shut myself up in a room somewhere in Tokyo to meditate. I wanted to be alone to meditate and think for a while about what we should do to pull politics out of the current choked-up situation. While under the pressure of daily political life, I could not tell important matters from insignificant ones since I received so much information, met so many people with different ideas, and was affected by own emotions. Having completed my meditation, I would now like to record what I think the politics of today needs to do.

If I am to begin by writing my conclusion first, the conclusion is that the Liberal Democratic Party [LDP] must somehow win a majority by itself in the next general election.

If the party wants to do that, I must say, it must cease to be happy being a partner in a coalition government. The LDP may not have the mandate of the voters to run the government alone, but it is the largest party in the coalition and also the largest party of all the parties. What is now being asked of the party — as the first responsible party of the nation — is to identify the real issues of present politics, economics, and diplomacy of this country, and to present a clear indication of what it wants to do to deal with them. As long as the LDP appears to be interested only in maintaining the coalition government, there is no way for it to take that direction, despite the fact that the state of financial crisis and deadlocked foreign relations of Japan are now at a critical point.

What needs to be done? First, party president Ryutaro Hashimoto needs to resign as deputy prime minister and minister of international trade and industry immediately, and start to devote himself to his job as party president. Mr. Hashimoto's resignation from the cabinet and concentrating on his job as party president will be the first symbolic step of announcing the LDP as a responsible and determined party. Once that is done, the second and third steps to be taken become self-evident. Some people assert that if Mr. Hashimoto resigns from the cabinet, Finance Minister Takemura will resign as well, which will ruin the Murayama government. But I think it will be the other way round. Only when the LDP becomes ready to win a decisive victory in the next general election by showing to the public how boldly it will tackle the existing political issues, can the party secure true cooperation and solidify its basis of coalition with the Social Democratic Party [SDP] and the New Party Sakigake [Harbinger]. It is difficult to imagine that with the serious financial crisis — the crisis which I will dwell on later — before us, Mr. Takemura, who is supposed to be in charge of finance, would take the opportunity of Mr. Hashimoto's resignation as his chance to resign as finance minister.

Mr. Hashimoto's top priority task is to lead the party to win an absolute majority in the next general election. I would like to present here my earnest belief on how important it is to accomplish that task.

My Advice to President Hashimoto

On 28 November, or shortly before I was holed up for meditation in Tokyo, I met Mr. Hashimoto at the Diet building, and advised him to resign as minister of international trade and industry before the extraordinary session of the Diet starts. Mr. Hashimoto listened to me in an earnest manner, and said: "The Asia-Pacific Economic Cooperation [APEC] Osaka forum is over. Once the work of drawing up the new defense program outline is finished, most of my important jobs will be completed. When that is all done, I will talk with Prime Minister Murayama frankly in order to respond to your expectations." But he has not yet taken any action. Not only that, he is said to have remarked: "Since the LDP does not have a majority in the House of Representatives, it cannot form a government without the cooperation of other parties." Reports also have it that he paid a secret visit to Mr. Murayama in the middle of the night to inform him of his "intention of staying" in the cabinet.

I am not saying I cannot understand how Mr. Hashimoto feels. Mr. Hashimoto, despite his tough look, is a rather discreet man. He is also faithful. He could be thinking that it is not a question of what he personally believes. In view of the LDP's "phobia of losing power," and its concerns about being expelled from government by doing something that will destroy the coalition, he could be afraid lest his action should trigger a move to remove the LDP from power. And he probably also wants to value the trust relationship with Mr. Murayama and the two coalition partners — the SDP and Sakigake. On the other hand, no doubt, it is a forgone conclusion that the longer Mr. Hashimoto stays in the cabinet and remains loyal to Mr. Murayama, the stronger the master-servant relationship will become between the two. When that kind of relationship develops, there is no way for the LDP to explain its positions to the public. I too value friendship with Mr. Murayama. I think nobody can beat me where that feeling is concerned. Nor do I oppose the coalition. Frankly speaking, I must note it is desirable to maintain the coalition as long as possible until we are fully ready for the next general election. And I will do my best to cooperate toward that end.

But that question and the question of Mr. Hashimoto moving out of the cabinet to convince the public into accepting the LDP as a responsible party are two different questions. After all, the Murayama government will not last forever. Just as the LDP must present itself as a unique party, the SDP and Sakigake must define themselves by making clear if they are a new socialist party or a new liberal party. Otherwise it will be impossible for the public to pass a correct judgment on them in the next general election.

Half seriously and half jokingly, I once said: "The SDP should become the Democratic Party and the LDP the Liberal Party, and then the two parties should be merged into a new, genuine Liberal Democratic Party." The LDP regards the principle of free economic competition as most important and upholds the economic "growth" as the basis of its social view while the SDPJ looks on the fair social distribution of wealth as its raison d'etre. After all, governments exist to deal with the issues of how to achieve growth and how to distribute the fruits therefrom. And that is what the LDP has tried to do for the past 40 years. In other words, what the LDP wants to do is to build up the industrial mountains as high as Mt. Fuji, and Mt. Yatsugadake to make sustained social growth possible, and what the SDP wants to do is to conduct what can be called the horizontal movement [suihei undo] to enable the fair distribution of the fruits of growth. I myself believe that if the LDP wants the nation to overcome its economic stalemate in launching into the 21st century, what it must do from now is push the nation to build up the industrial mountains by developing new technologies and new commodities. If the SDP and Sakigake can come up with new and acceptable visions of horizontal movement for their part, they can very well work together with us in our mountain-building campaign. The next phase of action or the question of what we should do in the coalition next will become evident once all of the three parties — the LDP, the SDP, and Sakigake — have announced to the public what each of them wants to do.

Of course, even when the LDP is concerned only about itself and does not care about anything else, if the mechanism of the nation was working smoothly thanks to excellent abilities of bureaucrats and to the overflowing vitality of the economy, all that I write about here would be for nothing. But I feel certain that five years from now, at the end of this century, will be a period when politics must function or must play its roles well.

I wrote an article titled "Kajiyama Vision" in the July 1995 issue of this magazine, and in that article I explained the need for the nation to undertake the "third founding of the nation." I wrote that Japan is now at the most critical juncture since the times of the Meiji Restoration and the 1945 defeat in the world war, and that the state of stalemate and confusion in Japan cannot be removed as long as we view current developments based on the past way of thinking. There is much in common between the present time and the times of the first and second national founding. What is symbolic is that the administrative structure is no longer able to cope with the given situations. The feudalistic administrative structure which sustained the shogunate system for 300 years proved useless when faced with four Black Ships. And when the pre-war centralized, military and administrative system disintegrated with the defeat of the country in the war, Japan had no choice but to start from scratch.

At the time of the first and second opening up of Japan, fortunately, the government leaders succeeded in cutting off the yokes of the past. Via the Meiji Restoration, the nation started on the way toward a new constitutional monarchy. When the Pacific War ended, the nation established a peace-and economy-centered liberal society, and became a member of the U.S.-led Western camp. But to use a little sarcastic expression, a nation can easily take bold actions when it is impoverished and in an urgent situation of possibly collapsing completely if something is not done immediately. At the time of the first and second founding of the country, Japan was at the lowest possible level in the international community. As such, whichever way it might have taken in steering the nation, there were more chances of gaining than losing from such actions. But that law of probability would not apply to the current condition. Japan has grown into a leading economic power — one of the most bountiful countries — in the world. Now if the nation were to be steered into a quite different direction in the belief that the action will ensure maintenance of the current living standards and achievement of further growth of the nation, the chance of it succeeding would be very small because the nation is already at a high point. And yet, if someone asks us whether doing nothing now is the best way of assuring the current status, the answer is no. However low the probability of winning may be, the nation must do something. If it chooses not to do something bold now, it will begin to head down. As it happens, though rather vaguely, we are beginning to see what we must do now. That is why I say now is the time for the LDP to stop hesitating and come up with a prescription, and to demand the application of it.

Financial Crisis and Finance Ministry's Responsibility

First of all, we must start to take bold actions on many issues that have been left on the back burner. One of them is the issue involving the bad credits of banking institutions. I still remember vividly how the government and the ruling parties went on arguing back and forth for so long with regard to ways of disposing of the bad credits carried by housing loan companies. After all, while the seven housing loan companies had outstanding loans of 10.7 trillion yen, bad loans amounted to 76 percent of it, or 8.1 trillion yen, with 6.2 trillion yen of that considered uncollectable. Moreover, the problem of these housing loan companies is only the tip of the iceberg. The total outstanding bad credits held by banking institutions nationwide are said to amount to 40 trillion yen. These bad credits are very much like gangrene. If treatment on it is wrong or untimely, decomposition can spread from a leg to the abdomen, and then to the whole body. Some people assert that the 40 trillion yen can swell to 60 trillion yen in no time, and then to 70 trillion yen, and 80 trillion yen. This matter cannot be left unresolved any longer. We must not delay in deciding on a defensive line or how far the bad credits should be cleaned up. We must protect the body of the Japanese economy by doing that, otherwise economic collapse will be unavoidable.

Even though the condition of the bad credits now is in such a state as to suggest that there is no other choice but to use public funds — or the public's tax money — to deal with them, all the discussions going on regarding them are only those of a technical nature, using scenarios drawn up by bureaucrats. What the Finance Ministry is proposing to do is nothing more than to repeat what the Resolution Trust Company (RTC) of the United States did to rescue and restructure the savings and loan associations of that country, many of which went bankrupt in the late 1980's. In other words, what the ministry wants to do is set up a Japanese version of the RTC, and pour public funds into it. But the steps taken by Japan leading to its action now and the steps the United States took at the time are decisively different. In deciding on the use of public funds, the United States used lessons learned from the Great Economic Crisis of the 1920's, and conducted investigations of responsible managers by establishing the Pecola [name as published] Committee, thus doing a thorough job of identifying the responsibilities of the financial policy formulaters. Following public hearings that lasted more than a year, the United States came up with financial measures primarily comprising of four points relating to the Banking Act (Glass-Steagall Act), the Inter-State Business Rules (MacFarlane Act), the Securities Act, and the Securities and Exchange Commission (SEC). So far, 2,000 people involved in the cases in that country have been indicted, and more than 1,000 people have been found guilty. What this means is that public funds can be used to resolve financial problems only on the premise that people responsible for these problems must be punished. It should be politics' duty to clarify who let this crisis situation of Japan happen and which organizations erred in making their policy decisions — before deciding to use the public money. We must recall what the Finance Ministry did in the early 1990's when the bubble economy was already visible. The ministry not only failed to burst the bubble, but actually helped the bubble bulge further by sticking by its golden rule of "not depending on deficit-covering bonds." The ranking officials of the Finance Ministry who were responsible for this are now feigning innocence and are continuing to sit in important posts of the ministry or at private companies they were appointed to after retirement from government service. They must not be forgiven. The same can be said of the bank executives. The banks are now reaping enormous profits from the lowest interest rates ever. Their profits come at the sacrifice of the depositors. The public are now being forced to pay more taxes in different forms. For instance, let's say I incurred a debt of 50 million yen from expenses in an election campaign and I wanted to repay the debt by selling some land I inherited from my ancestors. In that case, I must sell land worth about 100 million yen in order to pay for the tax that comes with selling the land. While all the ordinary people of the nation will have to do this, there are actually a very small number of people who have such assets to sell. But, meanwhile, the banks are using up most of their huge profits, which should be going into the state treasury, in amortizing their bad credits. We cannot call their actions anything less than blackmail of the nation and the people?

If the government wants to use public funds to resolve the bad credits and also to raise the consumption tax rate in spite of all this, it will be very difficult for it to convince the people. Nonetheless, the government must persuade the people of the need for these actions in order to maintain Japan's banking system. But the persuasion must not be done in the form of the strong intimidating the weak, or the former declaring unilaterally "the Japanese economy will collapse if there are no rescue actions." Politicians, bureaucrats and business executives all must remind themselves that they can win the understanding of the people only by clarifying where responsibility rests.

The collapse of the Japanese financial; system would jeopardize the international financial system instantly. I wonder how seriously Japan is taking the problem of Daiwa Bank which has been ordered to close its operations in the United States. Japanese banks are using $2 trillion — with $1.7 trillion on loan — out of the total of $7.5 trillion of the Euro market money serviced by banks across the world. The market system is so structured that if only one Japanese bank falls, it can bring down the whole international settlement system. If we take a look at the foreign accounts of Japanese banks, we can see that while they have only $150 billion of deposits from businesses and other customers, they have credits running to $500 billion. The difference of $350 billion is made up with interbank loans. To take Daiwa Bank as an example, its international department has $45 billion in operation. The Finance Ministry's plan for resolving the problem of Daiwa Bank is to merge Daiwa into Sumitomo Bank. But I wonder if the U.S. Congress or its justice authorities will be happy to accept that kind of book-balancing act without asking anybody to take responsibility. Unless Japan can come up with a very good argument against the U.S. complaint that "the Finance Ministry and Daiwa Bank ganged up to delay reporting to the U.S. authorities," there is no way to avoid asking the policymaking officials of the Finance Ministry as well as the officers of Daiwa Bank to take responsibility.

Recently, when Vice Finance Minister Kyosuke Shinozawa came to see me, I asked him to take drastic action, saying: "I think you should act like Kaishu Katsu [a loyalist in the last days of the Tokugawa shogunate] and open up Edo Castle without a fight. I hope you will do your final work before retiring, and that final work is to save Edo from the hands of troops and inferno, and prepare the ground for the next course of action." The bureaucrats' trick of living long is to make systems impossible to tell where responsibility lies. If some people had not taken responsibility, the city of Edo would have burned down, and the lives of its citizens would have been jeopardized. Likewise, the Japanese economy and its people could lose their basis for survival if something is not done.

Insofar as the situation has developed to what it is, even the late Ooka, the most generous and warm-hearted judge of the Edo era, if asked to judge the officials in charge of financial policy and top mangers of banking institutions today, would order "seizure of all of their property and expulsion from the area of Edo." I myself demand that. When a nation has lost in a war, it should first ask the question of who was responsible for driving the nation into the war before discussing what it should do now that the war has ended. It is important to make clear where the responsibility lies.

Politics of Responsibility

To get back to the first topic of my discussion here, what I want to say is that if Mr. Hashimoto quits as trade minister and the LDP makes efforts to get back to its original position, that will help to ascertain and put on track the practice of government taking responsibility. The reason why the responsibility should be asked of the policy planners who caused the financial crisis of today is not because we want to pinpoint the culprits of the past crimes and say "you are the one who did it" or "he is the one who did it." We need to clearly identify the Finance Ministry officials and bank managers who were responsible for the problem, in order to be able to convince the nation and other countries to remove their mistrust and suspicions. Doing that will lay the foundation for the current and future administration and businesses to become more rational and responsible. And it will indicate that the final responsibility must rest with politics. If the LDP fails to prepare itself for taking bold actions promptly, forget about the LDP, the whole nation of Japan will probably founder.

I had an opportunity to meet with Shoichiro Toyoda, chairman of the Japan Federation of Economic Organizations [Keidanren], the other day. He told me he toured European countries at the end of last year. He said the "talk of Japan being a threat" which was a popular topic once, was altogether gone. On this trip he was, instead, perturbed by sympathetic questions of "Is Japan O.K.?" everywhere he went.

Japan nowadays has neither confidence nor power to retort and say proudly: "We are fine." It has been some time since the state of economic recession became serious, but the government has only stood still, stupefied and unable to come up with a remedy, as in the case of the bad credits for the housing loan companies. The past technique of dealing with the problem of economic deceleration — inciting demand by mobilizing finances and investing in public works projects — is no longer effective at all. What Hashimoto's LDP must do now is to select one or more from several alternatives of the possible courses of action and present them to the public, and these alternatives should include those aimed at achieving economic recovery by applying inflationary measures, balancing government finances by further clamping down on spending, and rehabilitating government finances by increasing taxes. But naturally it would be difficult for the party to do that if Mr. Hashimoto wants to remain in the post of deputy prime minister and trade minister

Closed Diplomacy

When I think about the recent state of Japan-U.S. relations, I must say I feel so bad about the handicap Mr. Hashimoto must live with because he is trade minister. In his speech at a ceremony marking the LDP's 40th anniversary last November, Mr. Hashimoto stressed the importance of Japan-U.S. relations, and announced he would do everything to resolve the military base issues of Okinawa — regarding them as domestic issues of Japan. But there is no denying that this announcement came too late. In the month before that, I had lunch with U.S. Ambassador to Japan Mondale. What I gathered from the meeting was that people in the United States were irritated because they thought that "Japanese politicians may be talking about the importance of the Japan-U.S. security system, but they are not explaining this to the people of the nation at all." If Mr. Hashimoto was not the deputy prime minister and trade minister, and thus was able to exercise leadership on his own, he would have been able to make pleas and explain to the nation that it is the government itself which is responsible, though admitting the Okinawans' anger over the rape incident involving U.S. servicemen has its roots in the bitter experiences during the war, and the 50 years since. If he had done that, it should have been possible to make both Japan and the United States understand that the Okinawa issue and the security of Japan are two different issues, while both of them are important.

For a long time I have been an advocate of an Asia-oriented policy which will enable Asians to share both suffering and prosperity together. But I must note that even such Asian doctrine cannot be valid without the United States in it. Now with the Cold War gone, the only superpower with the capability and willingness to secure peace and security for the world — even at the risk of using military force if necessary as seen in its recent efforts to secure peace in Bosnia — is the United States. Probably we may be able to say that now we are living at a time when we cannot think about the Asia-Pacific region without the Japan-U.S. security system — more so than when the big framework of the U.S.-USSR confrontation existed in international situations, and the United States formulated its world strategy based on the structure of such confrontation. Now while the United States is becoming increasingly introverted and looking more inside the country, there is nothing to take its place in the role of maintaining the international order. In fact, following the Okinawa incident, the United States' concern about the security of Japan appears to be diminishing, which is a serious matter. This is a most undesirable situation for the peace and security of not only Japan, but also Asia as a whole.

When Japan protested against China's nuclear tests, China always argued back: "Japan, which is under the U.S. nuclear umbrella, is not qualified to protest China's nuclear tests." In the face of such an argument, some emotional Japanese people remarked "that is more the reason why the Japan-U.S. security pact should be scrapped. All we have to do is to get away from the U.S. nuclear umbrella." But my question is: If Japan terminates the Japan-U.S. security pact, will China abandon its nuclear arms? Or will that mean the possibility of the DPRK developing nuclear arms is gone forever? China has said time and again that "our nuclear arms development is exclusively for self-defense purpose, and we have no intention of using the arms for offensive purposes." I think the words are meant to be honest. That is why China wants the Japan-U.S. security system to be maintained. China attaches importance to the "nuclear balance" between China and Japan which is under the U.S. nuclear umbrella. The shaking up of the Japan-U.S. security system will lead to a fundamental change in the nuclear balance and balance of power in Asia. Many Japanese politicians still indulge in the thinking of ostensible pacifism which is nothing but a peace-at-any-price concept, and an old undesirable holdover from the Cold War days. They do not want to admit the reality that the security of the international community is as vulnerable as ever, standing on the subtle balance of the fatalistic nuclear arms. To be sure, Japan paid such big prices at Hiroshima and Nagasaki. It has an international duty to demand the abolition of nuclear arms of other countries, and to abide by the rule itself. But, on the other hand, the people in charge of government must explain about the existing reality of nuclear arms to the public, no matter how reluctant people may be to listen to it, and the people in government must call on the United States to continue providing a nuclear umbrella to Japan. The LDP itself must stand in the forefront in making that call.

Expedient Interpretation of the Constitution Dissected

In conjunction with the security issue, I would also like to refer to problems relating to the interpretation of the Japanese Constitution. Last August, at the time of the party presidential election, Mr. Hashimoto was asked if he had the intention of amending the Constitution. He said "no" but added: "I do not intend to object even to an amendment aimed at providing subsidies to private schools."

Article 89 of the Constitution stipulates: "No public money or other property shall be expended or appropriated for the use, benefit or maintenance of any religious institution or association, or for any charitable, educational or benevolent enterprises not under the control of public authority." That provision appears to be saying the payment of government subsidies to private schools constitutes a violation of the Constitution. But, actually, large amounts of government subsidies have been provided to private schools, and these schools are obligated to submit their accounting reports to the Ministry of Education as well. As such, they are actually under the "rule of government." Besides, if there were no subsidies, the schools would have very serious financial difficulties. Apparently, the government gives more weight to the intent of Article 26, which writes about the people's right to receive education, and thus the government does not interpret the Constitution as saying the subsidies to the private schools are against the Constitution. No one denies the big roles played by the private schools in Japan's educational system. If the subsidies to these schools cannot be provided without such long-winded interpretation, I must say that expediency is inappropriate.

Mr. Hashimoto, by touching on that issue, probably wanted to say "where the problem of interpreting the Constitution is concerned," he will not go beyond one intended to provide subsidies to private schools. But there are so many problems in the interpretation of the Constitution about which he cannot talk, even if he wants to — because of his position. One issue that must be clarified in the forthcoming ordinary Diet session is the interpretation of Article 20 with respect to the principle of separating religion from politics. There is the question of whether that article should be left as it is. The article states: "Freedom of religion is guaranteed to all. No religious organization shall receive any privileges from the State, nor exercise any political authority."

In 1970, Ikko Kasuga, a Democratic Socialist Party Diet member, wrote a letter asking for government interpretation of the Constitution regarding this article. The government's reply to it was: "Our understanding is that the principle of separating religion from politics set forth in the Constitution is meant to substantiate the guarantee for religious freedom provided for in the first paragraph of Article 20 of the Constitution, and thus our interpretation is that the government and other public organizations, in exercising their rights of government, are not allowed to interfere or be involved in religion. We do not think the provision has any more meaning than that or is meant to ban religious organizations or organizations controlled in fact by such organizations from engaging in political activities." That government response has been the basic position of the government since then, and Prime Minister Murayama, speaking at an extraordinary Diet session last year, said he will follow that view. What that reply said essentially was that it was not acceptable for the government to interfere in religion but it was acceptable for religion to interfere in government. In its reply the government expressed its support for maximum guarantee of the freedom of religion in view of lessons Japan learned from prewar days. It is a historical irony that the Democratic Socialist Party has since been merged into the New Frontier Party [NFP]. But Mr. Kasuga was believed to have presented that question to implicate the old Komei Party and Soka Gakkai [Buddhist group supporting that party] in it. The government might have meant to avoid getting itself entangled in political battles fought in some parts of the country at that time. Mr. Kasuga's constituency was Aichi Prefecture where the members of the Komei Party and Soka Gakkai were his fierce rivals. A quarter of a century ago, the government could not have thought about the possibility of religious groups like the Aum Shinrikyo later emerging and committing vicious crimes, shaking up the security of the nation and its citizens. Nor could it have predicted that a certain religious group would become a core force in the governments of Hosokawa and Hata. Nor could it have foreseen that the same religious group would come to manipulate the second biggest party next to the LDP — though it may yet be an opposition party — as it pleases. In the extraordinary session of the Diet last year, the Dietmen of the NFP caused a ruckus by forming picket lines and thus blocking a committee from opening a session. When I saw on television these former colleagues of mine standing in the picket lines, shouting, "this is an atrocity of trampling on the spirit of the Constitution," I could not shake off a feeling of gloom. Their resorting to force to impede the operation of the Diet indeed was an act of "atrocity of trampling on the spirit of the Constitution." I call on these people, who used to fight for liberalism and democracy together with me in the LDP, to reflect on their action. Anyway, we must hold discussions to see if the interpretation given 25 years of the Constitution is fitting to the Japan of today, listening earnestly to the voices of the public in doing so.

We must also rethink the interpretation of the Constitution as regards the collective self-defense right, which is the right to use force in defending another nation that has an intimate relationship with Japan, when that nation comes under armed attack though Japan itself is not under attack. According to the view of the government, "naturally, Japan, a sovereign country, has the collective defense right" under the international law, but "the exercising of the collective defense right should be limited to that necessary for the defense of Japan only because of Article 9 of the Constitution." In other words, even when a situation in North Korea threatens the security of Asia and when the U.S. forces in Japan are mobilized to deal with the situation, Japan can only cooperate in a very limited way. I still remember vividly when the United States rapped Japan for being "too little, too late" in making its contributions in spite of the fact that the Middle East is a very critical area for Japan as a source of oil. The effects of a contingency situation on the Korean peninsula on Japan cannot be compared with those in the Gulf area. It could be a crisis that threatens the very survival of Japan.

It is too irresponsible not to discuss and think about contingency actions when the situation with regard to North Korea remain so murky. It is clear why the politicians do not even want to discuss the matter. First, they do not want to get involved in troubles of any sort; they do not want to go through the trouble of explaining the situation to the people, and then having to deal with possible repulsions from the people. Second, they do not have enough sense of responsibility; they think it will be easy to persuade the people on the need to take positive actions after an urgent situation has arisen.

For Genuine Pacifism

In my earlier article, I wrote about my belief in the "absolute pacifism." I have been criticized by many for it, but my belief in this thinking has not changed — the thinking that we must never start a war; the way for Japan to live by is by peace; Article 9 of the Constitution is a provision the Japanese secured by paying with blood and therefore we must maintain it by all means. That thinking, however, does not mean that we should look away from any existing potential crisis, and should avoid discussing it in hopes of not being embroiled in it.

In the NFP, both Ichiro Ozawa and Tsutomu Hata assert that the exercise of collective defense right should be approved. But the people of the old Komei Party are strongly against it. It is quite doubtful whether that party can reach a consensus on the matter in case of a contingency situation. Insomuch as that party is a collection of splinter parties which gathered together for an expedient purpose for the next general election, it would be difficult to adjust their views on basic national issues. Of course, there are various views in the LDP too, but they are differences of view based on intraparty democracy, and it does not mean there are differences on basic doctrines or policies. If Mr. Hashimoto chooses to exercise his leadership as president of the party, he will be able to put the views together and put them into specific application whether they may be for revision or for maintenance of the existing policies.

Simply put, the primary mission of politics is to defend the security of the nation and the lives of the people. In reference to this point, I would like to add a comment on problems of the crisis management and of the existing functions of the Prime Minister's Office. At the time of the Hanshin-Awaji earthquake a year ago, much criticism was poured on the Murayama government for tardy actions. But if one takes a look at the current law, you can easily see the prime minister — whoever he may be — would have problems in taking prompt actions because of defects or obstacles in the law. We must note that while Article 72 of the Constitution states "the Prime Minister, representing the Cabinet, submits bills, reports on general national affairs and foreign relations to the Diet, and exercises control and supervision over various administrative branches," the Cabinet Law (in its Article 4) stipulates "when the Cabinet performs its functions, it shall do so through the cabinet meetings," and (in Article 6) says "the Prime Minister shall command and supervise all administrative departments based on the policies decided on at the cabinet meetings," which means all the cabinet members have to arrive at a unanimous agreement before a policy is decided. In a way it was fortunate that the Hanshin-Awaji earthquake occurred on Tuesday when a regular cabinet meeting was held. If it came on a weekend or during the summer holiday season, it would have been almost impossible to hold a cabinet meeting promptly. It is time to shore up the functions of the Prime Minister's Office drastically by amending the Cabinet Law in such a way as to enable the prime minister to exercise strong leadership over the administrative offices in defending the lives of the people in contingency situations brought on by major earthquakes or emergency security conditions.

In fact, concerning the mobilization of the SDF [self-defense force] troops, the current SDF Law (in its Article 76) stipulates that "in case of special emergency, the SDF can be ordered for mobilization without the approval of the Diet," and concerning the SDF mobilization for public security, it says (in Article 76) "in the event it is recognized that security cannot be maintained with the usual police force, all or part of the SDF can be ordered for mobilization." I do not think amending the Cabinet Law will constitute violation of the Constitution. And just as was done in Article 76 of the SDF Law which says "within 20 days of the date of the mobilization, the matter shall be referred to the Diet for approval," all we have to do is to include a provision on the ex post facto approval of the Diet.

If we really want to respect the spirit of the Constitution, we will have to constantly hold discussions regarding the interpretation of the Constitution and regarding whether the current legal system is appropriate for the current society. If we find problems through such discussions, then we will have to have the courage to resolve them. Failing to do so or ignoring contradictions against existing realities is tantamount to indulging in negligence of duty that can shake the Constitution from its foundations sooner or later. I am certain of that.

Think Too About Pannational Structure

Lastly, I would like to express my feelings on the current state of politics. Shortly after Mr. Hashimoto assumed the party presidency, it was said that "Hashimoto cut out Kajiyama" in reorganizing the LDP executives, or that "veteran dietmen ignored the Hashimoto leadership." News media asserted that when Mr. Hashimoto phoned, I pretended I was not at home. According to a newspaper which was full of jokes making fun of me, I played dumb when I received a phone call from him, saying "Which Mr. Hashimoto is this? Mr. Hashimoto of Kochi or of Ibaraki?" Part of what was reported may have been true, but I have nothing against Mr. Hashimoto or his leadership even at this moment. I may sound presumptuous, but I personally believe I am far above such personal emotions.

Speaking about Mr. Hashimoto, the person, everybody knows he has outstanding policy-formulating capabilities. I may be talking about long-gone days, but when a group of us dietmen started moving toward forming the Takeshita faction despite the charge that we were betraying former Prime Minister Kakuei Tanaka, there were other dietmen in our group who thought that Mr. Hashimoto, who had started his service in the Diet two terms earlier, was too fastidious. Many thought he should "be excluded from our group by all means." But I thought Mr. Hashimoto's capability in formulating policies and his sharp political sense, which we did not possess, were indispensable for the future of the Takeshita faction, so I volunteered to do the work of persuading him. As it turned out, Mr. Hashimoto joined our group with one word of "OK, I accept." He became a core member of the team, and never wavered during the tough battle that followed. After all, I am not interested in a defensive Hashimoto at all. The real Ryutaro Hashimoto is someone who continues to attack and keeps on attacking.

Another point to note is the talked-about problem in the LDP with regard to human relations. The talk is that there is strife between veteran dietmen and junior dietmen or about the change of generations. The young people are physically vital and have bright futures awaiting them. If they have the same capabilities and capacity, it should be only natural that these young people should be entrusted to lead the future. I have often talked about the need to "balance the old, the mature, and the young," and that essentially means just that. All the dietmen have mandates from the people; assessment of their performance should be made based on their political capabilities and policy-formulating ability; and we should not try to bind them with the frame of generation when they are starting out as politicians. Now, when the old factions of the LDP have in fact disintegrated, there cannot be such a thing as rule by the elders or the abuse of power by veteran dietmen. Under the current single-seat election system, the only important source of power in political parties is the party executives. Only if Mr. Hashimoto and his people can be confident in what they do will it become apparent that the so-called intergeneration strife is only illusionary. They will come to learn that if they want to develop the LDP into a strong party, they must learn to use the right people for the right jobs, and that it is stupid to waste time in useless intraparty discord.

Since summer last year, when the Murayama government started, I have watched four people who joined the first Murayama government, taking note of them as next-generation leaders. They are Hiromu Nonaka, Shizuka Kamei, Kaoru Yosano, and Masahiko Komura. As I had expected, they played very active roles in the cabinet, and proved they were the four tough warriors of the Murayama government. But now when they should be the tough four warriors supporting the Hashimoto system, the impression I get is that they are still devoted to supporting Mr. Murayama. To support the prime minister may be the natural duty of cabinet members, and it can be considered as a splendid act of performing duties to the country which has fallen into confusion following the political alignment. But what they must do as members of the party is to create a Hashimoto LDP system which is willing to show everything to the people to convince them. Being nimble and dexterous is not enough to open up the future for Japan. When mulling over issues lying immediately before us, mulling only will not resolve anything however dexterously and nimbly we may do the mulling.

What the Hashimoto-led LDP needs to watch is not just the things that are happening in the party. We all know that the 1993 drama of political world realignment that started with the election system reform was not based on ideals and policies. It would be no exaggeration to say the current political confusion is an aftermath of that drama. I have said we should broaden our perspective to include the possibility of "allying with conservatives individually" in addition to the current partners, the SDP and Sakigake. What I meant to say is that we should include in our perspective the possibility of allying with the NFP. Given the stalemated conditions of the economy and foreign relations, I think there might come a time when we need to think about having another daring political realignment, or even about having a temporary "pannational system," though that would depend on how things develop in the future.

Get Out of the Cabinet First of All

Recently, I have met several middle-ranking officials of the NFP. Their common view was that the NFP is not yet a completed party, and it is a party with very big contradictions within itself. I warned them: "We are now at a time when we have to take bold political actions if we do not want to shame our politics." I also told them: "In politics there is a logical order to follow. We must never let religion rule politics." As a matter of reality, we are no longer under the medium constituency election system. Under the single-seat constituency system, it may be rather difficult to get one's belief and conviction accepted and translated into actions however hard he may believe in his conviction. Nonetheless, I think there must be no taboos [preceding word in English] put on what the politicians can do. Removing the taboos will enable them to adequately carry out roles entrusted by the public, to overcome the crisis of Japan, and to ensure no mistakes are made in choosing the path for the country.

I think Mr. Hashimoto should get out of the cabinet, travel all over the country, and listen to the dire voices of uneasiness, discontent, and agony from the public personally. As a pioneer in opening up a new era, he should tour every one of the 300 electoral districts across the country with conviction and courage, and explain his new policies publicly. Of course, I can understand his responsibility as a cabinet member to pass the budget and so on, but given the grave situation, he should make a decision as a politician. On closing I would like to yell [preceding word in English] to him once again: "Mr. Hashimoto, if you are willing to lead Japan, stand in front of the LDP."

North Korea

DPRK on IAEA Negotiations; IAEA Team Departs

SK3001232996 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 30 Jan 96

[FBIS Translated Text] The delegations of the DPRK General Department of Atomic Energy and the International Atomic Energy Agency [IAEA] held the fourth round of negotiations on the supervision of freezing nuclear facilities under the DPRK-U.S. agreed framework in Pyongyang and Yongbyon from 24 to 29 January. The negotiations were held in a sincere [chinjihan] atmosphere.

At the negotiations, our side notified the IAEA that as an agreement on the supply of light-water reactors between the DPRK and the Korean Peninsula Energy Development Organization led by the United States was signed in accordance with the DPRK-U.S. agreed framework, the DPRK will allow the IAEA to carry out routine and ad hoc inspections of nuclear facilities that have not been frozen [tonggyol toeji anun haek sisoltureso chonggi mit pijonggi sacharul hoyonghanda].

The IAEA delegation left Pyongyang by plane yesterday [30 January].

DPRK on Planned Japan-U.S. Military Exercise

SK2901214796 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 25 Jan 96

[FBIS Translated Text] According to a report, the U.S.S. Blue Ridge, the flagship of the U.S. Seventh

Fleet, called at Beppu in Oita Prefecture, Japan on 23 January.

Reporting this, the 24 January edition of the Japanese paper, AKAHATA, wrote that the Blue Ridge is capable of commanding overall amphibious operations, including landing operations, ground combat and aircraft support. This ship has already carried out such command missions during the Persian Gulf war.

The paper pointed out that the U.S. Navy quickly moved this ship, whose mother port is Yokosuka, and deployed it at Beppu Port. The paper also wrote that Japan-U.S. joint combined command post exercises will be staged from late this month to early next month, and that during these exercises, the Japanese Self-Defense Forces will carry out a landing operation exercise with the support of the U.S. Air Force.

Large-scale military exercises are being staged in areas close to the Korean Peninsula by simulating offensive landing operations against someone else, and the commanding forces of the landing operation are being quickly deployed. This alarming move arouses the people's vigilance.

DPRK Paper Comments on ROK 'Escape' of U.S. 'Criminal'

SK3101031396 Pyongyang KCNA in English
0306 GMT 31 Jan 96

["Who Is to Blame for Escape of Criminal?" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — An American criminal slipped out of South Korea some time ago while being investigated by the puppet police on the charges of committing outrages against an innocent woman.

NODONG SINMUN today comments on this.

The South Korean police in charge of the "investigation" reportedly asked the U.S. military police to deprive the criminal of his passport so as to keep him from going abroad, but, far from meeting the demand, the U.S. military police issued a new passport to the criminal in conspiracy with the U.S. Embassy in Seoul for his escape.

The news analyst says:

The South Korean people are unanimous in saying that the blame for his escape rests with the Kim Yong-sam group, who are leaving the dignity and sovereignty of the nation to the mercy of foreign forces.

Through the humiliating "Status of Forces Agreement" concluded with the U.S., their master, the Kim Yong-sam group are protecting by law the U.S. soldiers and other Americans and encouraging them to commit all crimes, including murder, robbery, rape and plunder, in South Korea.

The South Korean people will certainly mete out a punishment to the traitorous Kim Yong-sam clique for fawning upon the aggressors trampling underfoot the national dignity and sovereignty.

DPRK: ROK Plan To Build Nuclear Facilities Denounced

SK3101124796 Pyongyang Korean Central Broadcasting Network in Korean
1222 GMT 29 Jan 96

[Yun Pyong-son commentary: "Act of Bringing Nuclear Holocaust"]

[FBIS Translated Text] The South Korean puppets are viciously maneuvering to inflict a nuclear holocaust upon the nation.

As was already exposed, the Kim Yong-sam group is scheming to build a large-scale nuclear base, including nuclear power stations and a nuclear dumping site, in the area close to the Military Demarcation Line [MDL] in Kosong County, South Korean Kangwon Province.

This act can be committed only by the traitorous Kim Yong-sam group which pays no attention to the destiny of the nation and people. It is an antinational criminal act to gravely threaten the safety of fellow countrymen in the North, to further aggravate North-South Korean relations, and to drive the whole country and entire land into a horrible nuclear holocaust.

As for the area in Kosong County, in South Korea's Kangwon Province, where the puppets are trying to build a nuclear base, it was designated by the No Tae-u group as a site for a nuclear base five years ago. However, facing strong opposition and protests by us and South Korean people, the No Tae-u group canceled the construction plan.

Moreover, this area is very close to the MDL where armed forces of both North and South Korea are sharply confronting each other. It is indeed a nonsensical act to build South Korea's backward and poor nuclear facilities, where many factors could cause a number of accidents in the politically and militarily sensitive area.

It is clear that when nuclear facilities are built in this area, areas in our side and Mt. Kumgang — a world-famous scenic spot — as well as the area in Mt. Sorak, would be seriously damaged. Besides, our fellow countrymen may have to suffer irrevocable nuclear holocaust even with an accidental military clash.

This is why all fellow countrymen and peaceloving people of the world express great worries about the Kim Yong-sam group's maneuver to build a new nuclear base in Kosong County, South Korean Kangwon Province. At the same time, the alliance of the environment movement in South Korea released a statement on 9 January and strongly demanded that the puppets immediately cancel the plan to build the nuclear base.

Nevertheless, the Kim Yong-sam is trying to build a nuclear base in the area close to our side by all means. This is a premeditated and preplanned maneuver to worsen North-South relations and to inflict nuclear holocaust upon the nation.

The Kim Yong-sam group, which is attempting to reduce the beautiful land of the fatherland to a wasteland and to inflict nuclear holocaust upon the nation, is indeed a group of the most heinous and vicious national traitors among all, and is a group of peerless nuclear lunatics.

As long as this group is left intact, the existence of the nation itself will be endangered and the natural environment will be destroyed. Thus, one cannot prevent the land of the fatherland from being reduced to a wasteland.

Even a small accident in the nuclear facilities is directly linked to damages of human lives and to the destruction of the natural environment. The seriousness of the outcome of such an accident is clearly shown in the estimates that the radioactive contamination damages caused by the Chernobyl nuclear power station accident will continue even until 2016, 30 years later.

The Kim Yong-sam group is staging northward aggressive war exercises every day against fellow countrymen in collusion with outside forces. Not satisfied with this, the Kim Yong-sam group is scheming to build a nuclear base, which will gravely endanger the existence of the nation, in the area close to our side. We will absolutely not remain an onlooker to the Kim Yong-sam group's maneuvers.

For the sake of the nation's peace and people's welfare, we should resolutely remove the Kim Yong-sam group, the nuclear warmonger.

All fellow countrymen, if they truly love the nation and people, whether they live in the North, the South or overseas, should rise in the struggle to overthrow the traitorous Kim Yong-sam group, which is running amok to reduce the land of the nation to a wasteland where humans cannot live, and to inflict nuclear holocaust upon the people.

The Kim Yong-sam group should clearly realize the grave consequences the maneuvers to build the nuclear base brought to the nation and people, and should immediately stop the maneuvers.

If the Kim Yong-sam group puts into practice its maneuvers to build a nuclear base in the area close to the MDL defying our repeated warnings, it will be held totally responsible for all consequences arising therefrom. Looking straight at the reality, the puppets should act with discretion.

DPRK Denounces Kim Yong-sam for Ruling Against Paper

SK3001033196 Pyongyang KCNA in English 0300 GMT 30 Jan 96

["NODONG SINMUN on Kim Yong-sam's High-handed Act Against the Press" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA) — The traitor Kim Yong-sam of South Korea let the Seoul District Criminal court rule that the newspaper HANGYORE SINMUN should make a compensation amounting to 400 million won and rectify its news item claiming that his son took political fund from the committee for rescuing herb doctors.

Commenting on the fact, NODONG SINMUN today views the judgement as an unbearable challenge to all the pressmen and people of South Korea and a high-handed act of the chief thief.

The paper says:

His high-handed act against HANGYORE SINMUN is a prelude to the retaliatory suppression of the press. Nothing but such a thing can be expected from the traitor, who is destined to meet his doom.

No matter how desperately he may try to muzzle the press in the hope of concealing his despicable color as an accomplice in the slush fund scandal and the kingpin of thieves, it is of no use.

The Kim Yong-sam clan must act with discretion, clearly mindful that if they fail to revoke the preposterous judgement, they will never escape from strong public protest.

DPRK Report: 'Abnormal Event' Would Lead to Armed Conflict

SK3101113196 Pyongyang KCNA in English 1051 GMT 31 Jan 96

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — A joint meeting of political parties and organisations of the DPRK held here today proposed

This is why all fellow countrymen and peaceloving people of the world express great worries about the Kim Yong-sam group's maneuver to build a new nuclear base in Kosong County, South Korean Kangwon Province. At the same time, the alliance of the environment movement in South Korea released a statement on 9 January and strongly demanded that the puppets immediately cancel the plan to build the nuclear base.

Nevertheless, the Kim Yong-sam is trying to build a nuclear base in the area close to our side by all means. This is a premeditated and preplanned maneuver to worsen North-South relations and to inflict nuclear holocaust upon the nation.

The Kim Yong-sam group, which is attempting to reduce the beautiful land of the fatherland to a wasteland and to inflict nuclear holocaust upon the nation, is indeed a group of the most heinous and vicious national traitors among all, and is a group of peerless nuclear lunatics.

As long as this group is left intact, the existence of the nation itself will be endangered and the natural environment will be destroyed. Thus, one cannot prevent the land of the fatherland from being reduced to a wasteland.

Even a small accident in the nuclear facilities is directly linked to damages of human lives and to the destruction of the natural environment. The seriousness of the outcome of such an accident is clearly shown in the estimates that the radioactive contamination damages caused by the Chernobyl nuclear power station accident will continue even until 2016, 30 years later.

The Kim Yong-sam group is staging northward aggressive war exercises every day against fellow countrymen in collusion with outside forces. Not satisfied with this, the Kim Yong-sam group is scheming to build a nuclear base, which will gravely endanger the existence of the nation, in the area close to our side. We will absolutely not remain an onlooker to the Kim Yong-sam group's maneuvers.

For the sake of the nation's peace and people's welfare, we should resolutely remove the Kim Yong-sam group, the nuclear warmonger.

All fellow countrymen, if they truly love the nation and people, whether they live in the North, the South or overseas, should rise in the struggle to overthrow the traitorous Kim Yong-sam group, which is running amok to reduce the land of the nation to a wasteland where humans cannot live, and to inflict nuclear holocaust upon the people.

The Kim Yong-sam group should clearly realize the grave consequences the maneuvers to build the nuclear base brought to the nation and people, and should immediately stop the maneuvers.

If the Kim Yong-sam group puts into practice its maneuvers to build a nuclear base in the area close to the MDL defying our repeated warnings, it will be held totally responsible for all consequences arising therefrom. Looking straight at the reality, the puppets should act with discretion.

DPRK Denounces Kim Yong-sam for Ruling Against Paper

SK3001033196 Pyongyang KCNA in English 0300 GMT 30 Jan 96

["NODONG SINMUN on Kim Yong-sam's High-handed Act Against the Press" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA) — The traitor Kim Yong-sam of South Korea let the Seoul District Criminal court rule that the newspaper HANGYORE SINMUN should make a compensation amounting to 400 million won and rectify its news item claiming that his son took political fund from the committee for rescuing herb doctors.

Commenting on the fact, NODONG SINMUN today views the judgement as an unbearable challenge to all the pressmen and people of South Korea and a high-handed act of the chief thief.

The paper says:

His high-handed act against HANGYORE SINMUN is a prelude to the retaliatory suppression of the press. Nothing but such a thing can be expected from the traitor, who is destined to meet his doom.

No matter how desperately he may try to muzzle the press in the hope of concealing his despicable color as an accomplice in the slush fund scandal and the kingpin of thieves, it is of no use.

The Kim Yong-sam clan must act with discretion, clearly mindful that if they fail to revoke the preposterous judgement, they will never escape from strong public protest.

DPRK Report: 'Abnormal Event' Would Lead to Armed Conflict

SK3101113196 Pyongyang KCNA in English 1051 GMT 31 Jan 96

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — A joint meeting of political parties and organisations of the DPRK held here today proposed

The meeting was attended by Yang Hyong-sop, alternate Politburo member of the WPK Central Committee and chairman of the Supreme People's Assembly, and other senior officials of political parties and public and religious organisations.

DPRK: Service Held for Deceased Pomminnyon Leader

SK2901214496 Pyongyang KCNA in English 1007 GMT 29 Jan 96

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA) — A memorial service was held here today for the late Yim Chang-yong, chairman of the Overseas Headquarters of the National Alliance for the Country's Reunification (Pomminnyon).

A wreath from the Great Leader Comrade Kim Chong-il [was] first placed before a portrait of the deceased.

Also seen were wreaths from the DPRK Central People's Committee, the Central Committee of the Democratic Front for the Reunification of the Fatherland, the Committee for the Peaceful Reunification of the Fatherland, the North side headquarters of Pomminnyon, the Korean Committee for Assisting Overseas Compatriots, the General Bureau of Reception for Overseas Compatriots, the Central Committee of the Korean Christian Federation and delegation and the visiting group of overseas Koreans.

The service was attended by Pak Song-chol, Politburo member of the Workers' Party of Korea Central Committee and vice-president of the DPRK, working people in the city, overseas Koreans staying in the socialist homeland and relatives of the deceased.

Chang Chol, vice-premier of the Administration Council and minister of culture and art, made a memorial address.

He said:

"Yim Chang-yong waged a movement for national reunification, in the teeth of the obstructions of home and foreign separatists. In the course of this, he firmly believed that it is only the great President Kim Il-song and respected General Kim Chong-il who can lead the Korean nation.

"Each time he visited the homeland, the president received him, spoke highly of his patriotic devotion and warmly led him to live a worthy life in patriotic efforts for reunification.

"In his last days, Yim Chang-yong, [word indistinct] did all he could to explain the president's '10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country' to Overseas Koreans and Mobilize Them in the Movement for National Reunification as Chairman of the Overseas Headquarters of Pomminnyon."

Chang Chol called for upholding Comrade Kim Chong-il as the lodestar of national reunification, carrying into practice the president's will for reunification and completing the historical cause of reunification at an early date so that Comrade Kim Chong-il will be acclaimed in reunified Korea.

DPRK Envoy Pays Courtesy Call on SRV Prime Minister

SK3001005796 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 22 Jan 96

[FBIS Translated Text] DPRK Ambassador (Yi Yong-kun) paid a courtesy call on Vietnamese Prime Minister Vo Van Kiet on 17 January. During the meeting, the prime minister asked the ambassador to convey his greetings of long life to the great leader [yongdoja] Comrade Kim Chong-il.

He said that the Vietnamese Communist Party, government, and party support and welcome Korea's method for the fatherland's reunification. He said that he is of the firm belief that the Korean people will highly uphold the fatherland's reunification method presented by the great President Kim Il-song and his behest, and realize without fail the cause of the fatherland's reunification.

He noted the long tradition of fraternal friendly relations between the two parties, two countries, and two people of Vietnam and the DPRK and pointed out the following:

Relations between Vietnam and the DPRK are friendly relations personally provided by the respected President Ho Chi Minh and the respected President Kim Il-song. We will never forget the unselfish support and assistance toward the Vietnamese people given by the Workers Party of Korea, government, and people. We will continue to strengthen and develop the traditional friendly relations. However the world situation changes, we will regard the Korean people as brothers.

DPRK: Bulgarian Government Economic Delegation Departs

SK3001013996 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 27 Jan 96

[FBIS Translated Text] The Bulgarian Government economic delegation led by Vice Minister of Trade and Foreign Economic Cooperation Ivan Belchev returned home on 27 January by plane. Kim Chong-u, vice chairman of the External Economic Affairs Committee, and Yordan Mutafchiev, Bulgarian ambassador to the DPRK, were on hand at the airport to bid the delegation farewell.

DPRK: International Red Cross Delegation Leaves

SK3001021996 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 27 Jan 96

[FBIS Translated Text] The delegation of the International Federation of Red Cross and Red Crescent Societies led by Deputy Director of Asia and Pacific Department of the Federation Simon Missiri, left Pyongyang on 27 January by plane. Functionaries concerned were on hand at the airport to bid the delegation farewell.

DPRK-Mongolia Friendship Group Leaves for Mongolia

SK3101110796 Pyongyang KCNA in English 1027 GMT 31 Jan 96

[FBIS Transcribed Text] Pyongyang, January 31 (KCNA) — A delegation of the Korea-Mongolia Friendship Association led by its Vice-chairman Kim Chin-pom left here today by train.

DPRK: Kim Chong-il Issues New Slogans, Revives Old Slogans

SK3001030496 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 24 Jan 96

[FBIS Translated Text] With a view to glorifying the revolutionary spirit and struggle achievements of revolutionaries who struggled to carry to accomplishment the chuche revolutionary cause by upholding the respected leader's [kyongaehanun suryongnim] leadership, the great leader [yongdoja] Comrade Kim Chong-il put forward a number of revolutionary slogans over generations.

From a long time ago, slogans on following and learning from the seniors in revolution have been put up in many places in our country.

Appraising the anti-Japanese revolutionary fighters as the proud first generation of our revolution, the great general put forward revolutionary slogans, including "Let us work, learn and live just as anti-Japanese guerrillas!" and "Let us all become the Kim Hyok's and Cha Kwang-su's of the eighties!"

These slogans reflect our party's firm will to embody in the entire society the revolutionary spirit and struggle achievements of the fighters, who registered brilliant feats in achieving the historic cause of national liberation by upholding the leadership of the great leader [suryongnim] and in providing our party's glorious revolutionary tradition.

The respected Comrade Kim Chong-il put forward such revolutionary slogans as "Let us live and work with the spirit with which we crossed the flaming river and boggy path!," "Let us learn from the lofty sense of loyalty and invincible fighting spirit displayed by the 10 party members of Nagwon!" and "Let us follow and learn from the ardent love of the nation and the lofty sense of sacrifice of the heroic fighters of Wolmi Island!" Thus, he saw to it that the heroic spirit and invincible fighting spirit of the forerunners in the revolution, which were demonstrated during the days of fierce wars, was overflowing throughout the whole country.

The slogans of the 1960's, including "Let us effect a revolutionary upsurge once again by continuously accelerating the great Chollima march!" and "Let us again liquidate passivity, conservatism and mysticism for technology, just as in the days of the fifties!" were again put forward. Following this, in the 1980's, revolutionary slogans, such as "Let us create the speed of the eighties with the spirit displayed during the time of the great Chollima upsurge!" and "Let us live and work with the spirit and vigor cherished during the days of the post-war great Chollima upsurge!" were put forward. As a result, the fighting spirit of the Chollima era has been further glorified on the glorious path of accomplishing the chuche revolutionary cause.

The great general saw to it that youth highly uphold revolutionary slogans, including "Youth should become the creators of feats and young heroes in implementing the party's cause by inheriting the indomitable spirit of the first and second generations of the revolution on the road of historic march for prosperity and development of our fatherland and nation!" "Let us become the Kim Hyok's and Cha Kwang-su's of the nineties by following the example of the young communists who glorified the dawn of the Korean revolution with loyalty!" "Let us brilliantly carry to accomplishment the party's revolutionary economic strategy with such will and spirit displayed by the anti-Japanese revolutionary fighters in the Paektu forest and with such vigor and spirit demonstrated by the working class in Kangson and by 10 party members of Nagwon!" Thus, he made our people inherit and glorify the lofty spirit of forerunners of the revolution and firmly arm themselves with the thoroughgoing outlook on the leader and morality.

South Korea

U.S. Defense Undersecretary Meets With ROK Ministers

SK2701063296 Seoul CHOSON ILBO in Korean 27 Jan 96 p 11

[Report by Kang Hyo-sang]

[FBIS Translated Text] It has been learned that the U.S. Government hopes to transfer some commercially applicable state-of-the-art military technologies to the ROK.

Paul Kaminski, undersecretary of defense for acquisition and technology, paid a courtesy call on Pak Chae-yun, minister of trade, industry, and energy, on the morning of 26 January and exchanged views on bilateral cooperation in the field of military technology.

An ROK official who attended the meeting has said that Undersecretary Kaminski introduced commercially applicable military technologies to the ROK minister and informed him of the U.S. position on this matter and that Minister Pak expressed his interest. However, no details of commercially applicable technologies have been disclosed.

Undersecretary Kaminski and seven other defense-industry experts met with Minister Pak. Undersecretary Kaminski had come to the ROK at the invitation of the ROK Defense Ministry and met with Defense Minister Yi Yang-ho and Science and Technology Minister Chong Kun-mo.

ROK Allowed To Take Into Custody Suspected U.S. Felons

SK3101132396 Seoul KBS-1 Television Network in Korean 1200 GMT 31 Jan 96

[FBIS Translated Text] The ROK police is now able to take into custody and investigate felon soldiers of the U.S. Forces in Korea prior to indictment. The ROK and the United States held high-level working talks in Washington today on the revision of the Status of Forces Agreement, and agreed that the ROK police can take into custody U.S. soldiers involved in homicide, burglary, and rape cases, in the investigation stage prior to indictment.

U.S. 'Considering' WTO Suit Over ROK Sterilized Milk

SK3101040496 Seoul THE KOREA TIMES in English 31 Jan 96 p 8

[FBIS Transcribed Text] The United States is considering fling a suit with the World Trade Organization (WTO) over Korean distribution period limits for sterilized milk.

The United States is mulling a WTO challenge because Korea refused to extend a maximum seven-week distribution period for sterilized milk products, according to the Korea Foreign Trade Association (KFTA) yesterday.

The challenge would argue that the period restriction violates WTO rules requiring that sanitary and phytosanitary measures must be based on sound science, the KFTA said quoting an article carried in U.S. Inside Trade .

The milk products referred to chiefly are canned and evaporated milk.

"The U.S. dairy industry is gaining an export interest in sterilized milk products and the U.S. would have no problem proving its interests in the event of a WTO challenge," the weekly magazine was quoted as having said in its Jan. 26 edition.

Korea and the United States reached agreement on eliminating the distribution period limits on butter, cheese, processed cheese, baby food and baby formula Jan. 22, in addition to another 207 food products.

But the two nations failed to resolve their disagreement over Korea's seven-week distribution period for sterilized milk.

Korea reasoned that it was difficult for the nation to change its rules on the milk product, citing the poor conditions of the Korean dairy industry and the relatively small amount of the product the U.S. exports to Korea.

Relevant U.S. officials are reported to have stated that there is "lots of science" showing that a seven-week distribution period is unsound.

The United States is considering consulting with other countries, such as New Zealand, Australia, Canada and the European Union to determine whether they would be interested in joining a U.S. challenge.

The magazine quoted another U.S. Official as having said that the U.S. would make a decision on the matter "in the near term."

Separately, Korea made available to the U.S. government and industry officials an outline of regulations governing the testing of medical equipment, the magazine said quoting an industry source.

The move was designed to put to rest the final sticking point in the implementation of an October 1995 agreement on market access for medical equipment, in which the U.S. is pushing Korea to adopt a so-called "quality system requirement" in which medical devices are tested during the manufacturing process rather than in the country of sale, it said.

The outline provided by the Koreans is "very sketchy," so it is impossible to say whether the final regulations will satisfy U.S. demands. But the U.S. industry is "pleased with the apparent direction" of the regulations based on the outline.

Korea has told U.S. industry officials that the final regulations will be issued in May, it added.

ROK Officials Cited on Issue of U.S. Aid to DPRK

SK3101071396 Seoul YONHAP in English
0659 GMT 31 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 31 (YONHAP) — South Korea has never been informed by the United States that Washington made any decision to provide government-level aid to North Korea to help them cope with a severe food shortage, a senior Foreign Ministry official said Wednesday.

Deputy Foreign Minister for Political Affairs Pan Ki-mun said that Seoul and Washington agreed at the talks in Honolulu, Hawaii, that Washington would not provide Pyongyang government-level aid.

Pan also said that the Washington promised that it would consult with Seoul before proceeding with any plans to assist the North, and added that his ministry has yet to be notified of any such intention.

Another official, however, admitted that South Korea would not oppose providing "symbolic-level" assistance to the North by way of nongovernmental relief aid organizations in the United States such as World Food Program (WFP) or the United Nations International Children's Emergency Fund (UNICEF).

"The current trend is that the international community recently donated 2.8 million dollars in aid to North Korea to help the North cope with its ongoing food crisis, although the world community cannot determine the exact food situation in the world's most isolated nation," he said.

He cited the recent steps taken by Canada, Australia and European Union (EU) countries to provide humanitarian aid to the North.

The official also said that "another aspect we must consider is that it would be better to maintain offices of World Food Program or some other international organization in Pyongyang to maintain a minimum level of transparency in the distribution of international aid to the north."

He noted that the WFP office in Pyongyang was recently on the verge of closing due to a lack of funds.

One possible scenario is that the United States Government will take funds from the Department of Agriculture's Foreign Disaster Assistance (FDA) fund or the Agency for International Development (AID).

The Clinton administration can withdraw those funds without permision from the Congress, he said.

"No matter what the source of humanitarian aid to the North, the amount will be minimal, and on a symbolic level," he said, adding that these international efforts will provide exactly what is needed on humanitarian grounds.

The United States actually does not seem eager to help, although it cannot buck the international trend.

He noted that the United States has yet to find the 19 million dollars needed to pay for the heavy oil that was promised to North Korea for this year in the Geneva agreed framework reached in 1994 between Pyongyang and Washington.

ROK: Both Koreas Criticized Over Rice Aid Issue

SK3101080796 Seoul HANGYORE SINMUN
in Korean 30 Jan 96 p 3

[Article by Washington-based correspondent Chong Yon-chu: "Circumstances Surrounding the Strong U.S. Policy on Providing Food Aid to North Korea"]

[FBIS Summary] The facade South and North Korea are showing to the international community over the issue of providing food aid to North Korea is "very mean." Overwhelmed by domestic political affairs, the South is adhering to an "unconvincing logic against food aid" which not even the United States can understand. Meanwhile, the North, whose people are suffering from severe cold and famine, shows the "inflexibility of its regime" while "invariably refusing to hold inter-Korean dialogue, the key to improving the situation."

The ROK Government's unconvincing logic and insistence were plainly revealed during the ROK-U.S.-Japan high-level policy meeting held in Hawaii last week. With regard to the U.S. policy on providing food aid to North Korea, the ROK expressed its desire that the United States provide food aid after the ROK's general elections in April. The ROK also expressed the position that it does not want the United States to provide food aid to North Korea in accordance with U.S. Public Law (PL) 480, under the "illogical pretext" that "it is not proper for the United States to apply to North Korea PL 480, which it has applied to its allies such as the ROK."

Reacting to the ROK position, the United States gave an "uncertain look" and said it "could not understand it at all." The U.S. reaction was again conveyed to the ROK Government by U.S. Assistant Secretary of State Winston Lord last weekend, after the tripartite policy meeting ended. It was "unusual" for the United States to convey its position over a weekend. The U.S. position that Lord conveyed to the ROK through a diplomatic source is that the United States "cannot understand" the ROK position and "will review if there is any other possible way."

According to Washington sources, this indicates "the United States is still adhering to its policy of providing support to North Korea and that the United States repeatedly urged the ROK to understand its policy, saying it would not provide aid to North Korea without the ROK's consent."

However, the general analysis is that the ROK, which "regards the U.S. President's scheduled ROK visit as a great diplomatic success" and is trying to link it to domestic politics, will not tediously press the United States, which "has already fixed its policy regarding support to North Korea," to abandon its policy. Instead, it is highly possible that the two sides will resume high-level talks in the near future to bring the issue to an end.

In any event, there are voices calling both South and North Korea to reflect on the international community's cold attitude toward food aid to North Korea. North Korea is criticized for "its closed system that has made it difficult to conduct an objective and correct assessment of North Korea's food crisis," while South Korea is criticized for "creating 'obstacles' to the provision of support to North Korea which prompted the cold reaction of the international community."

ROK Reports Arrival of Third DPRK Defector From Zambia

SK3101011296 Seoul THE KOREA TIMES in English 31 Jan 96 p 1

[Report by staff reporter Son Ki-yong]

[FBIS Transcribed Text] A North Korean diplomat, who sought asylum at the South Korean Embassy in Zambia on Jan. 23, arrived in Seoul yesterday, epitomizing signs of disintegration of the North's overseas missions and frustration facing elite North Koreans, officials here said.

Hyon Song-il, 37, third secretary at the North Korean Embassy in Lusaka and son of a ranking North Korean Communist Party official, came here at 5:40 p.m., two weeks after his wife and another North Korean intelligence worker based in the African country defected to Seoul. Interestingly, he succeeded in escaping from the embassy although it had been placed on high alert following the defection of the other two North Koreans.

Officials here said that Hyon and his wife Choe Su-pong, 36, had been longing for South Korea's "free and democratic society," in contrast with North Korea which is in the middle of unprecedented economic hardship.

After the North Korean government had virtually suspended financial support for the operation of its overseas missions for more than half a year, many North Korean embassies engaged in illegal business to make money, they said.

The North Korean Embassy in Zambia, in particular, has engaged in the illegal trade of rhino horns and elephant tusks, which is internationally banned, an official said.

"North Korea also sees its diplomatic base erode in connection with this political asylum case. When Hyon held a press conference at the North Korean Embassy in Zambia on Jan. 18, he highly criticized the Zambian government for letting them leave for Seoul, which will adversely affect relations between the two countries," the official said. Following his wife's defection, Hyon was ordered by Pyongyang to hold the press conference, he said.

Hyon was known to have sought political asylum along with his wife but, apparently, his plan was foiled as North Korean authorities intervened.

Zambia, along with Tanzania, has been one of North Korea's main allies as members of the Non-Aligned Movement (NAM).

The North Korean embassies in the two countries have maintained more than 10 staffers, far exceeding those of their South Korean counterparts.

Explaining the reason why a number of children from influential North Korean families have been placed in Zambia, the official said that it might reflect the ever-worsening situation in North Korea.

"As North Korea faces many internal problems, high-ranking North Korean officials are believed to have sent their children to live in foreign countries such as Zambia," the official said.

Hyon was "extremely nervous" when he arrived at the South Korean embassy in Lusaka because he had already been ordered to return home along with Ambassador Kim Ung-song, the official said. He was also worried about the safety of his two children in North Korea, he added.

The official said that Hyon, son of Hyon Chol-kyu, a senior North Korean Communist Party official in charge of Hamgyong-namdo, may have served as professor or teacher in North Korea before starting his career as a diplomat.

ROK: Polish NNSC Delegation Returns for Meeting

SK2601070196 Seoul YONHAP in English 0635 GMT 26 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP) — The Polish military delegation to Panmunjom, forced to leave the North Korean side of the truce village last February, flew into Seoul Friday to attend a routine meeting with delegations from Switzerland and Sweden, a Foreign Ministry official said.

It is the third time that the Polish delegation to the Neutral Nations Supervisory Commission (NNSC) visited the country since its forced withdrawal last February.

Poland has said that it will continue to do its job as the NNSC member, although the delegation Chief Krzyztof Owczarek [spelling of name as received] and other delegation members were forced to leave the North Korean side of Panmunjom.

Switzerland, Sweden and Poland have maintained its position that they will continue to do their job as the NNSC members as long as the Korean armistice treaty is valid. The NNSC functions to monitor implementation of the armistice treaty which ended the three-year Korean war in 1953.

The NNSC makes it a rule to have a quarterly routine meeting at the border village of Panmunjom.

ROK Exports Korean-Produced Tractors to Japan

SK2701012896 Seoul THE KOREA HERALD in English 27 Jan 96 p 8

[FBIS Transcribed Text] LG Cable and Machinery Ltd. exports its self-developed tractors to Japan, marking the first time that a Korean firm has exported Korean-made farming machinery to Japan.

The company will send its first shipment of 30 tractors to a Japanese buyer by March and plans to sell a total of 1,000 units by 2000.

The company will begin marketing the tractors to domestic farmers in the latter half of this year, according to a company official.

ROK, Germany 'Nearing' Settlement on Taxation Dispute

SK3101045596 Seoul THE KOREA TIMES in English 31 Jan 96 p 9

[Report by staff reporter Yi Chang-sop]

[FBIS Transcribed Text] Korea and Germany are nearing a settlement on long simmering disputes involving the Korean taxation of two German firms BASF and Hoechst, according to sources.

"Delegates from the two countries who met at the OECD meetings in Paris last week came close to a mutual agreement on a settlement on the transfer pricing problem," according to a government official.

The dispute occurred in 1993 when the Office of National Tax Administration (ONTA) slapped 13 billion won and 3 billion won in back taxes on BASF and Hoechst, respectively, for alleged tax evasion on Korean sales.

The ONTA said the Korean subsidiaries of the two German firms are "sales units," which should expose all Korean sales to corporate tax here. Thus, the tax office collected from them the penalty tax in accordance with the Korean tax law for their alleged diversion of taxes in 1988 and 1989. However, the German government claimed that the two German subsidiaries in Korea are "trading agents," which have only to pay taxes on commission income of all their sales.

The Korean tax office submitted to the German government all documents showing that the German subsidiaries are sales units, but the German government, refusing to accept the Korean position, had continued to argue that Seoul is imposing the internationally unacceptable tax rule.

The German government was also said to have issued a strong protest against the Korean tax office for "leaking to the public its collection of the alleged penalty taxes on the two Korean subsidiaries" even before they were given a chance to prove their innocence, according to sources.

The two countries have reached a broad agreement on the issue, but both sides still differ over the tax amount to be levied on BASF and Hoechst, reliable sources said. A tax official said as Korea has already set a precedent on the issue in handling Britain's ICI case, "It is difficult for us to make a unilateral concession. Once we accept the German claim fully, we will invite complaints from Britain," he added.

A government official said the transfer pricing problem has recently become an issue between the two countries.

But understanding that such a predicament would not be beneficial for both countries, tax officials came close to a mutual agreement on a settlement. But ONTA's O Tae-sik refused to comment on the issues.

ROK: Kim Yong-sam Sends Condolences to Czech President

SK2801121196 Seoul YONHAP in English 0928 GMT 28 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 28 (YONHAP) — President Kim Yong-sam sent a telegram of condolence to Czech President Vaclav Havel on Sunday to console him for the death of his wife Olga Havlova.

President Kim said in his telegram, "I cannot restrain my deep sorrow over the report that Mrs. Olga Havlova passed away. I express my bitter grief over her death.

"Mrs. Havlova will be remembered forever as life-long supporter of your excellency's struggle for democratization and development of Czech and as esteemed wife of Czech president who has played an active part for the sake of the Czech people."

She died on Saturday at her home in Prague after suffering from cancer for several months.

ROK Joins UN Commission on Population and Development

SK2701063396 Seoul YONHAP in English 0603 GMT 27 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 27 (YONHAP) — South Korea on Saturday was elected to a member of the United Nations Commission dealing with the world's population problem, a Foreign Ministry spokesman said.

South Korea plans to help the world community tackle overpopulation using its experience as a model country which has successfully implemented birth control policies, the spokesman said.

The Commission on Population and Development, affiliated with the United Nations Economic and Social Council (ECOSOC), has 47 member countries.

ROK Plans for 23 Nuclear Power Reactors Noted

SK3101103896 Seoul THE KOREA HERALD (Supplement) in English 31 Jan 96 p 3

[FBIS Transcribed Text] Under the government's long-term plan, Korea will have 23 nuclear power reactors in operation by 2006, including the nine in active service.

With the completion of fuel loading of Yonggwang Nuclear Power Plant Unit 3 Sept. 14, 1994, Korea opened a new era for nuclear technological self-reliance.

Yonggwang Unit 3 was completed late March or early April last year with Yonggwang Unit 4 slated for completion this year.

Yonggwang Units 3 and 4 will serve as reference plants for Ulchin Units 3 and 4 which are scheduled to be completed in 1998 and 1999.

Yonggwang Unit 3, which is equipped with a 1,000 megawatt PWR each, is currently put in service and Yonggwang Unit 4, in 1996, respectively.

Construction work on Yonggwang Units 3 and 4 started in June 1989 and Yonggwang Unit 3 passed one and a half years of government regulatory tests before earning its operation license in September 1994.

Yonggwang Unit 3 is equipped with a pressurized light-water reactor which, for the first time in Korea's nuclear history, has been manufactured by local companies.

Domestic companies have been participating as prime contractors in the project from overall project management, plant design and engineering to nuclear steam supply system (NSSS) design and fuel design and NSSS equipment manufacturing, while foreign firms have been acting as their subcontractors.

The overall nuclear technological self-reliance rate for Yonggwang Units 3 and 4 increased from about 90 percent to 95 percent by the end of 1995.

In terms of equipment supply or localization, the self-reliance rate stands at 74 percent.

In the early 1970s, the nation's nuclear power plant construction projects, including Kori Units 1 and 2 and Wolsong Unit 1, were totally dependent on foreign companies, mainly U.S. firms, which provided all necessary equipment and design on a turn-key basis.

Since the late 1970s, the nuclear construction projects have been conducted on a component basis, which means KEPCO [Korea Electric Power Corporation] has taken the initiative in the projects and placed orders for nuclear equipment design and manufacturing with foreign firms. Under the changed method, foreign companies have been acting as main contractors with local firms as their subcontractors.

In the process, Korea Electric Power Corporation. (KEPCO) has accumulated overall project management, plant design and engineering capabilities, while pushing ahead with its plant localization plant.

Starting with the Yonggwang Units 3 and 4 project, KEPCO has held the overall project management and designated local companies as prime constructors, while foreign firms have been acting as their subcontractors as part of its efforts to enhance nuclear technological self-reliance.

In the case of Yonggwang Unit 3, KEPCO is in charge of overall project management and Korea Power Engineering Co. (KOPEC) is the main architect engineer on the unit.

The U.S. firm Sargent & Lundy acts as KOPEC's subcontractor for plant design and engineering or architect engineering.

The Korea Atomic Energy Research Institute (KAERI) was named by KEPCO as the main contractor for Yonggwang Unit 3's NSSS design and fuel design,and the U.S. company Combustion Engineering (CE) serves as KAERI's subcontractor.

Korea Heavy Industries & Construction Co. (HANJUNG) is in charge of fabrication and supply of NSSS equipment and the turbine generator.

CE and General Electric of the United States support HANJUNG in the production of NSSS equipment and turbine generators.

Korea Nuclear Fuel Co. (KNFC) is the sole fabricator and supplier of nuclear fuel and Hyundai Engineering & Construction Co. is responsible for the construction of Yonggwang Unit 3.

The Yonggwang project can be viewed as a turning point in Korea's nuclear history as local companies have been fully involved as main contractors in all sectors from design to construction.

Korea has tried to enhance nuclear technological self-reliance in parallel with plant construction by signing technology transfer agreements with foreign participants for the Yonggwang project.

Under the technology transfer pacts signed in April 1987, local companies can secure technical know-how through the transfer of technical documents and computer codes, engineering documents and standards, classroom and on-the-job training, and participation in the contractor's research and development (R&D) programs.

KOPEC is the main architect engineer on the Ulchin Units 3 and 4 construction project, which started in 1991.

KOPEC, a wholly invested firm by KEPCO, has been the leading force in nuclear power plant design standardization since 1982.

For the Yonggwang Units 5 and 6 whose construction work is scheduled to begin in 1996, industry sources predicted that fewer foreign engineers would be required, meaning enhanced technological self-reliance of Korean nuclear power plant construction capabilities.

Local companies would only receive foreign counseling on specialized nuclear sectors, the sources said.

Ulchin Units 3 and 4 will serve as the nation's standard design for future nuclear power plants which will be equipped with a 1,000 megawatt PWR.

Two more Korean standard nuclear power plants with the same design as Ulchin Units 3 and 4 will be built at Yonggwang and Ulchin each, upping the number of the Korean standard plants to six.

The Ulchin Units 3 and 4, which are under construction, are Korean standard power plants and they will be the very type which the Korean government has proposed to supply to Pyongyang.

The Korean-type nuclear plants are basically designed with a proven concept and rigorous design criteria.

Starting with the commercial operation of Kori Nuclear Power Plant Unit 1 in April 1978, Korea has seen the number of nuclear units increase the nine, all built by foreign companies.

The Kori power station has four reactors in all as of the end of August 1994, and Yonggwang and Ulchin power stations have two nuclear units each where the Wolsong Nuclear Power Plant has one reactor in service.

Wolsong and Ulchin power stations are located in North Kyongsang Province, and Kori and Yonggwang power stations are situated in South Kyongsang Province and South Cholla Province, respectively.

Awaiting completion by the end of 1999, Wolsong Units 2, 3 and.4, and Ulchin Units 3 and 4 are under construction

Wolsong Units 2, 3 and 4 will be dedicated in 1997, 1998 and 1999 and Ulchin Units 3 and 4 in 1998 and 1999.

Another seven nuclear units are planned to be built by 2006.

They are Yonggwang Units 5 and 6, Ulchin Units 5 and 6, and three others whose plant sites have yet to be finalized.

Yonggwang Units 5 and 6 are to be completed in 2OO1 and 2002, respectively.

Ulchin Units 5 and 6, which start construction work in 1996, will be dedicated in 2002 and 2003, respectively.

Starting with Yonggwang Units 3 and 4, local companies have served as main contractors with foreign firms as their subcontractors .

Of the existing nine units, eight are equipped with pressurized water reactors (PWR). Wolsong Unit 1 is equipped with a pressurized heavy-water reactor (PHWR).

The average capacity factor of the nine nuclear units stood at 87.2 percent in 1993, well over the world's average capacity factor of 69.4 percent.

Korea ranked second in terms of average capacity factor for 1993 in the world following Finland which marked a capacity factor of 92.7 percent.

The capacity factor represents the ratio of the actual production to a maximum capacity.

The average actual utilization ratio for the nation's nine units was 78.7 percent in 1985, 81.5 percent in 1985, 79.3 percent in 1990, 84.4 percent in 1991 and 84.5 percent in 1992.

The comparable figure for the world average capacity factor was 65.4 percent in 1985, 65.7 percent in 1990, 67.8 percent in 1991 and 67.3 percent in 1992.

Wolsong Unit 1 recorded an average capacity factor of 100 percent for the whole 1993, topping all others in the world.

In terms of unscheduled shutdowns, the nation's nine units recorded 18 unplanned stoppages in 1990, 24 cases in 1991, 15 in 1992 and 14 in 1993.

ROK Debate Rekindled on Kim Yong-sam Campaign Money

SK3101060696 Seoul THE KOREA HERALD in English 31 Jan 96 pp 2, 10

[FBIS Transcribed Text] How much money President Kim Yong-sam spent for his election campaign in 1992 is again emerging as an issue of debate in his ruling party.

The debate has been rekindled by a small minority in the party, which believes it would help the party win the upcoming parliamentary election if President Kim discloses the amount of money he spent.

The group includes such newcomers as former Prime Minister Yi Hoe-chang and former presidential candidate Pak Chan-chong, who have a broad base of voter support.

When they joined the ruling New Korea Party earlier this month, they reportedly requested President Kim disclose the amount of money he spent for his election. It was not known what response President Kim showed to their request.

At issue are two points: How much more money did President Kim spend than the legal limit of 36.7 billion won and how much money did he receive from former President No Tae-u, who is now behind the bars on bribery charges?

Kim Tae-chung, president of the main opposition National Congress for New Politics, claims President Kim spent 1 trillion won, including 300 billion won from his disgraced predecessor.

Another leading opposition leader, Kim Chong-pil, insists President Kim spent a shocking amount of money. But he gives no estimation.

Kim Chong-pil, president of the minor opposition United Liberal Democrats, was the No. 2 man in the ruling party after President Kim when the election was held in December 1992.

President Kim's campaign fund became an issue of contention between the ruling and opposition parties in October last year when an opposition lawmaker alleged former President No had 500 billion won in secret accounts.

While keeping mum on the amount of his campaign fund, President Kim said he did not receive even a penny directly from No though money may have been given to the ruling party.

Two months before the presidential election, No left the control of the ruling party in the hands of President Kim and disassociated himself from the party.

Leading opposition figures aside, former presidential candidate Park is the most vocal in proposing President Kim reveal the amount of his campaign fund.

At a recent party rally in Pusan, Pak said few people would regard President Kim immoral if he should say he spent money beyond the legal limit because he has received no money from corporations since he took office in February 1993.

Instead, he said President Kim's disclosure of his campaign fund would deprive of the opposition forces of a major chance to attack President Kim and his party during the parliamentary elections.

But top leaders of the ruling party do not share Pak's opinion.

Instead, they fear the proposed disclosure of the presidential campaign fund would revive what they regard as a bygone issue of contention.

"Party leaders believe President Kim's campaign fund is an issue of the past," a ruling party source said. "They do not believe opposition parties would attract much voter attention if they should take up the campaign fund as a major issue."

Earlier, Kang Sam-chae, party secretary-general, proposed the prosecution, which interrogated No, disclose how much money he gave to the ruling party for President Kim's election campaign.

Behind the proposal may have been an expectation that the prosecution would also find out how much money No actually gave to opposition leader Kim Tae-chung.

Earlier Kim Tae-chung had admitted that he took 2 billion won from No for his presidential election campaign against President Kim. It would deal a fatal blow to Kim Tae-chung's political career if he should be found to have received more money from No than he admitted.

Against this backdrop, former President No refused to disclose how much money he gave to President Kim or to Kim Tae-chung when he was questioned by prosecutors and stood trial.

ROK President's Son Wins Libel Suit Against Paper

SK2601064596 Seoul YONHAP in English 0620 GMT 26 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP) — The Seoul District Court, ruling on a libel suit brought by President Kim Yong-sam's son against the HANGYORE SINMUN, ordered the newspaper Friday to pay a fine of 400 million won (about 500,000 U.S. dollars) to the plaintiff and carry a correction of the libellous story in its future edition.

Presiding Judge Chong Un-hwan of civil panel No. 1 of the Court's Sobu branch said there was no "direct evidence" to support the story in question.

In view of the social influence of press reports, such reports must be based on supporting and justifying material, he decided.

The newspaper must carry the erratum in the same size print as that for the headline of the story in question, in the upper section of the front page of the first edition issued after the ruling, he concluded.

In May 1994, Kim Hyon-chol, President Kim's second son, brought a libel suit against the newspaper for a report the previous month that he received 120 million won from herb doctors in exchange for a promise of favors during the 1992 presidential election.

In the suit, Kim claimed 2 billion won in damages to his reputation.

The HANGYORE SINMUN disputed the court ruling and immediately appealed the decision to a higher court.

ROK: DP Urges NKP, NCNP, ULD To End 'Three Kims Era'

SK2601023396 Seoul YONHAP in English 0208 GMT 26 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP) — Co-chairmen Kim Won-ki and Chang Ul-pyong of the minor opposition Democratic Party [DP] declared a political war Friday on "parties led by the three Kims," to bring an end to the three Kims era in Korean politics and urged them to retire from politics.

The three Kims are Presidents Kim Yong-sam of the ruling New Korea Party (NKP), Kim Tae-chung of the major opposition National Congress for New Politics (NCNP), and Kim Chong-pil of the minor opposition United Liberal Democrats (ULD).

In a news conference held at their party office, they stressed that retiring from politics would be their last chance of service to the nation.

They called on President Kim Yong-sam to disclose details about both his 1992 presidential election campaign fund and his political history, to complete his drive to remove corruption from politics and rectify historical distortions. They added that, by so doing, the Kim government would be able to bring to light "the secret political funds" of the two opposition leaders — Kim Tae-chung and Kim Chong-pil.

They demanded that President Kim and the ruling NKP immediately discontinue their efforts to destroy their party, claiming that President Kim had called democratic lawmakers into Chongwadae [presidential offices] to persuade and even intimidate them to join the NKP.

Going through the list of political powers abused by Kim Tae- chung and Kim Chong-pil, they called for the political retirement of the two opposition leaders.

They declared war on the regionalism-based political forces of the three Kims, and said the Democratic Party would launch a national campaign to overcome regional rivalries by encouraging people from all walks of life to foster cooperation.

They presented the Democratic Party's four major political programs — war on regionalism, political reform, economic justice and a unification policy based on national consensus.

The Democratic Party will select its nominee for the 1997 presidential election through primary elections and a national convention, they said.

ROK: 'Korean Bill Gates' Joins New Korea Party

SK2601055696 Seoul YONHAP in English
0515 GMT 26 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP) — Computer entrepreneur Yi Chan-chin, who has been dubbed "the Korean Bill Gates," announced Thursday that he is joining the ruling New Korea Party (NKP).

Having developed the word processing program "Hangul 1.0," Yi, 30, is the president of Hangul Computer Co. He majored in mechanical engineering at Seoul National University.

"My decision to join the party stemmed from a desire to expand our nation's information and software industries rather than to participate in politics," he said at a press conference. His admission into the party is part of the NKP's drive to attract new members from all walks of social life.

"Because I have absolutely no interest in politics, it was an agonizing decision," he admitted, "but people around me advised that it would give me the chance to contribute to the expansion of the nation's information industry.

"I don't know the number of National Assembly members nor the number of national constituencies," he remarked, "as an outsider to this area, I have no plans to participate in politics." He then repeated that his entry into politics is merely a springboard for developing the domestic computer industry.

He also said he does not know whether he will accept the party's nomination for a proportional representation seat.

"Since I have entered the New Korea Party's organization, I must follow the party's management."

ROK: Kim Yong-sam Discusses Upcoming Election

SK2701053196 Seoul YONHAP in English
0241 GMT 27 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 27 (YONHAP) — President Kim Yong-sam discussed the ruling New Korea Party's [NKP] campaign strategies for the general elections in April with former Prime Minister Yi Hoechang at Chongwadae [presidential offices] Saturday morning.

Concurrently head of the government party, Kim revealed in the meeting his plan to appoint Yi to head the party's election campaign headquarters at an appropriate time, Presidential Spokesman Yun Yo- chun said. Kim also said he will name former lawmaker Pak Chanchong to head the party's Election Campaign Committee for the metropolitan area, the spokesman said.

Yi and Pak joined the ruling party last week.

A senior Chongwadae official said the president and Yi plan to meet weekly at the presidential office, adding that Kim is to continue with weekly one-on-one meetings with NKP Chairman Kim Yun-hwan.

ROK Foreign Ministry Reshuffles Midlevel Officials

SK3101091796 Seoul YONHAP in English
0815 GMT 31 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 31 (YONHAP) — The Foreign Ministry Wednesday appointed former Counsellor Kwon Chong-nak of the South Korean Embassy in Washington senior coordinator for policy development.

In a ministerial reshuffle of mid-level officials, Deputy Director General Yi Sok-cho of the Cultural Affairs Bureau was assigned to work for the bidding committee for the 2002 World Cup while Ambassador-at-large Yang Tong-chil was assigned to deputy director general for West Asia and Africa Studies.

Former Minister Kang Kwang-won, South Korea's permanent representative in Taipei was appointed deputy director general of the ministry's Africa and Middle East Affairs Bureau.

Research Commissioner for National Security and Unification Studies Sin Chang-pom at the Institute of Foreign Affairs and National Security (IFANS) was assigned to work at the Korea International Cooperation Agency (KOICA).

IFANS Research Commissioner for American Studies Yi Yun-pok was appointed to serve as senior director for intelligence evaluation of the ministry's Office of Policy Planning.

Research Commissioner for National Security and Unification Chong Tae-sik was appointed deputy director general for passports at the ministry's Overseas Residents and Consular Affairs Bureau.

Research Commissioner Kim Sung-yop of the IFANS West Asia and African Studies Department was appointed senior coordinator for planning and management of the Office of Planning and Management.

The ministry also reassigned IFANS Research Commissioner for European Studies Yi Sang-chol to deputy director general of the ministry's European Affairs Bureau.

IFANS Research Commissioner for National Security and Unification Chong Ui-min was named deputy director general of the ministry's Cultural Affairs Bureau.

The reshuffle also affected former Minister Kim Chong-hun at the South Korean Embassy in Washington, who will be reassigned as deputy chief of protocol.

The reshuffle sent director Pak In-kuk from the ministry's Disarmament and Nuclear Energy Division to the Office of Planning for Light-water Reactor Project.

Deputy Spokesman Kyon Che-min meanwhile was transferred to director of the United Nations Economic Affairs Division while First Secretary Hwang Chong-il at the South Korean Embassy in Beijing was appointed director of the Northeast Asia Division II.

ROK Trials of Chon Tu-hwan, No Tae-u Discussed

SK3101015796 Seoul THE KOREA TIMES in English 31 Jan 96 p 3

[Article by staff reporter Sin Hak-nim]

[FBIS Transcribed Text] The arrest of three incumbent lawmakers on charges of treason will wrap up the two-months-long reinvestigation of the 1979-1980 military coup.

The legal action against Reps. Ho Hwa-pyong, Ho Sam-su and Chong Ho-yong had been postponed till now because their physical detention during an Assembly session would have required its consent.

Now the two former presidents, Chon Tu-hwan and No Tae-u, and their associates who helped them usurp power with the bayonet are waiting for court verdicts in the military rebellion and treason case.

However, a number of factors are expected to delay the first hearing of the case for some time.

Chon and No, who took power through a "multi-phased coup," are now in custody, having been indicted on military mutiny and treason as well as bribery charges.

No admitted to having collected some 500 billion won in slush funds from dozens of leading businessmen and state prosecutors classified some 230 billion won of this as "bribes."

In the third hearing of the bribery case Monday, jail terms ranging from one to four years were sought for nine business tycoons while heavier punishment was sought for five aides of No who helped him collect the huge amounts of money.

However, prosecutors reserved their demand of penalty for No, indicating they will seek one later after he has been tried on his other charges. No's predecessor Chon was also indicted for collecting a similar amount of money in slush funds. The first hearing in the Chon bribe case was originally scheduled for Feb. 5, but is also likely to be postponed.

First of all, prosecutors have to wait for the ruling by the Constitutional Court on the constitutionality of the "May 18 special law," enacted last December to punish those responsible for the Dec. 12, 1979 military mutiny and the May 1980 Kwangju bloodshed, before additionally indicting the aides of the two former presidents.

The bone of contention in connection with the special legislation and the possible punishment of Chon and his associates involved in the military mutiny and the May 18 Kwangju massacre is whether or not it runs counter to the Constitution which bans retroactive legislation.

Chon and his associates filed appeals to the Constitutional Court for a ruling on the constitutionality of the special law. Specifically, they claim that the 15-year statute of limitations period during which they could be prosecuted has already expired.

A Seoul court judge earlier in the month refused to issue arrest warrants for Chang Se-tong, former chief bodyguard for Chon, and Choe Se-chang, commander of the 3rd Airborne Brigade in 1980, suggesting that the 15-year statute of limitations period had already expired for the indictment of the two aides on charges of military mutiny in December, 1979.

Earlier, the Constitutional Court withheld a verdict on whether the 15-year statute of limitations period for the 1979-1980 military coup had expired or not. But now, the Constitutional Court, the only court authorized to make a ruling on the constitutionality of all Korean laws and regulations, has to rule on the appeals by Chon and his associates to review the constitutionality of the special legislation.

Under these circumstances, the first hearing of the military mutiny and treason case is likely to take place several months from now on at the earliest, court watchers said.

ROK: Incumbent Lawmakers Arrested for Kwangju, Rebellion

SK3101020296 Seoul YONHAP in English 0139 GMT 31 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 31 (YONHAP) — Prosecutors arrested three incumbent lawmakers Wednesday on charges of insurrection for their roles in the brutal crackdown on Kwangju civil uprising and acts of rebellion led by military strongman Gen. Chon Tu-hwan in 1980.

The three former military officers are Chong Ho-yong, special warfare commander, Ho Sam-su, personnel director of the Defense Security Command, and Ho Hwa-pyong, chief secretary to Defense Security Commander Chon Tu-hwan.

Arrest warrants for the three legislators were issued by the Seoul District Court at around 1:30 AM Wednesday [1630 GMT 30 January], 10 hours after they were requested by prosecutors.

Judge Yu Hae-yong issued the arrest warrants after rejecting a plea filed by the three lawmakers that claimed the May 18 special law is unconstitutional because it is retroactive.

"Because the statute of limitations for the May 18, 1980 Kwangju incident remain intact, it is possible to punish those involved in the incident under existing laws without applying the May 18 special law," Yu ruled.

In his decision Yu said that since both the legislature and judiciary were prevented from carrying out their normal duties by martial law, the statutory limitation for the Kwangju incident should not be counted from Sept. 1, 1980 when Chon became president, as the three lawmakers maintained in their plea, but from Jan. 24, 1981 when martial law was lifted.

Prosecutors charged Chong with ordering his paratroopers to get tough with the demonstrators during their stay in Kwangju May 18-27, 1980, in defiance of the normal chain of command.

The two Hos are charged with deep involvement in Chon's plot to seize the presidency, engineering the arrest of prominent politicians, and disbanding of the National Assembly.

Although the arrests of the three incumbent lawmakers was delayed as the National Assembly was in session until last weekend, they will just about put an end to the legal actions to be brought against Chon and his aides in the Kwangju crackdown.

On Jan. 23 prosecutors indicted six other former military associates of Chon on insurrection charges. The six were Yi Hak- pong, former anti-espionage director of the Defense Security Command; Yu Hak-song, former 3d Army commander; Hwang Yong-si, former deputy army chief of staff; Yi Hui-song, former army chief of staff; Chu Yong-pok, former defense minister; and Cha Kyu-hyon, former Korea Military Academy commandant.

On Dec. 21, the prosecutors added insurrection to Chon's indictment, which previously charged graft and military mutiny only. They also added insurrection to No Tae-u's graft and military revolt indictment. The two former presidents are under custody.

Prosecutors said they are also investigating the alleged corruption of the three lawmakers apart from their roles in the Kwangju incident.

ROK: Kim Chong-hwi, Yi Won-cho Trials Begin

SK2601102496 Seoul YONHAP in English 0724 GMT 26 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP) — Kim Chong-hwi, former senior presidential secretary for foreign affairs and national security, all but acknowledged Friday facts concerning the bribery charges leveled against him.

Testifying in the first session of his public trial at the Seoul district court, Kim admitted accepting 80 million won from arms dealer AEA's Korean branch office and 50 million won each from the Daewoo and Hanjin Groups in connection with the purchase of Spanish-made medium-sized transports in July 1992.

The accused said, "I understand that the enterprises involved gave me the money with at least an implicit wish to get special favors or rights in mind."

Kim has been charged with having received 230 million won in bribes in return for contracts involving defense equipment.

The same court also tried in a separate room former lawmaker Yi Won-cho, who was indicted without physical detention on charges of playing an intermediary role for former President Chon Tu-hwan's accumulation of a slush fund.

Yi testified, "In October 1987 I handed Chon a total of 3 billion won in election funds, after collecting them from the Kolon Group and another enterprise." "The funds were not intended for winning any benefits or rights, but purely donations," he argued.

The trials of Kim and Yi will resume at 10 AM [0100 GMT] on Feb. 9.

ROK Daily on 10-Year 'Energy Self-Reliance' Program

SK3101025696 Seoul THE KOREA HERALD (SUPPLEMENT) in English 31 Jan 96 p 2

[FBIS Transcribed Text] 1995 was a banner year for Korea's 10- year program to develop energy self-reliance. A major factor contributing to the success of this program is the alliance forged in 1987 between ABB Combustion Engineering Nuclear Systems (ABB CE) and the Korean nuclear industry which included transfer of technology and joint development of Korea's first standardized nuclear plants .

This alliance which includes KEPCO (Korea Electric Power Corporation), KAERI (Korea Atomic Energy Research Institute), HANJUNG (Korea Heavy Industries and Construction Company, Ltd.), KNFC (Korea Nuclear Fuel Company, Ltd.) and KOPEC (Korea Power Engineering Company, Inc.) brought about the successful startup and operation of Yonggwang Units 3 and 4 in 1995.

Unit 3 began commercial operation on its original schedule in March, while Unit 4 was declared commercial three months ahead of schedule. This achievement is unparalleled in the recent worldwide experience for nuclear project startups.

Korea's 1000 megawatt standardized nuclear plant is now being replicated in ongoing projects for Ulchin Units 3 and 4, under construction and scheduled to begin operation in 1998-99, and Yong- gwang Units 5 and 6, scheduled for operation in 2001-02. This design was also selected for the two nuclear units to be supplied to North Korea.

Nuclear energy has an important role in assuring that Korea's electric power supply will keep up with national economic growth and be protected from market instabilities which can affect the price and supply of fossil fuels. Energy independence is particularly important for the Korean Peninsula which lacks fossil resources.

After eight years of progress, the goals of this alliance have expanded to include development of a Korean next-generation nuclear plant, and the export of nuclear energy technology to other countries, including mainland China. The demonstrated success of Korea's nuclear program is key to achieving these new goals.

ROK President Pledges 'Globalization' Support to Localities

SK2601033996 Seoul YONHAP in English 0226 GMT 26 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP) — President Kim Yong-sam pledged to provide special city and provincial administrations with positive support for their globalization efforts Friday.

The chief executive instructed the cabinet to authorize a "local autonomy system development committee" to begin work as soon as possible on creating a formula for effectively dividing functions between the central and local governments. The committee is to be chaired by the prime minister.

Kim issued these instructions at a report session of the globalization promotion committee that was held at Chongwadae [presidential offices] to discuss "provincial globalization."

Kim at the same time called upon local autonomous bodies to cooperate with the globalization promotion committee in identifying and removing institutional and policy hurdles to their globalization efforts.

"The nation's globalization can be achieved when local autonomy is executed successfully," the head of state said. "When each region develops itself into a region in the world on the strength of its features will the citizens' quality of life be eventually improved."

The meeting marking the first anniversary of the founding of the globalization promotion committee was attended by 20 members of the committee, and 170 members of the committee's private councils in 15 special cities and provinces. The mayors of five special cities and governors of nine provinces were also present at the gathering.

Following the meeting, Kim hosted a luncheon for those attending the meeting.

ROK Government Plans To Release 10 Million Soms of Rice

SK2701011196 Seoul YONHAP in English 0029 GMT 27 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 27 (YONHAP) — The government plans to release approximately 10 million soms of hulled rice (1 som equals 144 kilograms) from its stockpile this year in an effort to stabilize rice prices.

The Agriculture, Forestry and Fisheries Ministry disclosed a hulled rice supply plan Saturday that calls for meeting the estimated 27 million som urban household rice demand this year, with 17 million soms of rice held by farmers and 10 million soms from government reserves.

The ministry plans to use the agricultural cooperative network to distribute an average of 1 million soms of hulled rice each month until next October.

In 1994 the ministry had distributed a total of 8,991,000 soms of rice by mid-October. Last year it distributed 9,414,000 soms of rice by the end of September.

ROK To Import Foreign Beef To Stabilize Beef Prices

SK2701012796 Seoul THE KOREA TIMES in English 27 Jan 96 p 8

[FBIS Transcribed Text] The Ministry of Agriculture, Forestry and Fisheries, in a bid to stabilize prices ahead of the coming traditional lunar New Year holiday season "sol," said yesterday more foreign beef will be imported as early as possible.

According to the ministry yesterday, beef imported in the Jan. 1- 25 period this year amounted to 51,637 tons, 35.2 percent of the 147,000 tons the nation is expected to import this year.

Of this, the amount of beef imported for the purpose of stabilizing domestic prices equaled 41,000 tons, representing 46.5 percent of the total import quota of 88,200 tons.

This means that about half of the beef price stabilization quota has already been imported.

The other 10,637 tons was purchased under the "simultaneous buy and sell" (SBS) system.

The price of beef now stands at 8,508 won [US$11] per 500g, an increase of 8.5 percent over the same period last year and 2.0 percent over December last year.

The increase in the beef prices has mainly been caused by the fact that total consumption had been up 11.5 percent over December although supply had decreased by 12 percent.

The administration has expanded the amount of beef distributed by more than 500 tons a day since Jan. 13, up from the 336 tons a day during December last year, to cope with the problem.

Burma

Burma: Joint Communique Issued With Cambodia

BK3001133896 Rangoon TV Myanmar Network in Burmese 1330 GMT 29 Jan 96

["Full text" of a joint communique with Cambodia issued in Rangoon on 29 January]

[FBIS Translated Text] 1. Samdech Krompreah Norodom Ranariddh, first prime minister of Cambodia, and his consort Princess Norodom Marie Ranariddh paid a goodwill visit to the Union of Myanmar [Burma] from 27 to 29 January 1996 at the invitation of Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and prime minister of the Union of Myanmar, and his wife Daw Kyaing Kyaing.

2. First Prime Minister Samdech Krompreah Norodom Ranariddh was accompanied by Mr. Ing Hout, minister of foreign affairs and international cooperation; Mr. Veng Sereivut, minister in the Council of Ministers Office and minister of tourism; Mr. Ek Sereivoat, state secretary for national defense; Mr. Sun Chanthol, state secretary for economy and finance and secretary general of the Council for the Development of Cambodia; Mr. Lu Laysreng, state secretary for trade and commerce; Dr. Chem Vitthya, permanent secretary in the Ministry of Foreign Affairs and International Cooperation; Mr. Li Thuch, director of the Cambodian Council of Ministers, adviser to the first prime minister, and officer in charge of environmental protection; Mr. Khek Lerang, the current Cambodian ambassador to Laos who has been designated as ambassador to Myanmar; and top senior officials of the Cambodian Government.

3. The warm welcome extended to the first prime minister and his delegation warmly reflects the existing friendship between the two countries. The first prime minister expressed his pleasure at having the opportunity to visit the Union of Myanmar and thanked the government and people of the Union of Myanmar for the invitation and the hospitality extended to his delegation.

4. The first prime minister and his delegation visited places of cultural and historical interest in Yangon [Rangoon], Mandalay, and Pagan during their stay in the Union of Myanmar. The first prime minister met with Senior Gen. Than Shwe, chairman of the SLORC and prime minister, and held cordial discussions and exchanged views on matters of mutual interest as well as current regional and international affairs. The discussions were held amid an atmosphere of mutual friendship and understanding.

5. Present at the discussions on the Myanmar side were Gen. Maung Aye, deputy chairman of the SLORC and deputy commander in chief of the Defense Services; SLORC Secretary-1 Lieutenant Gen. Khin Nyunt; SLORC Secretary-2 Lt. Gen. Tin U; Vice Admiral Maung Maung Khin, deputy prime minister; Lt. Gen. Tin Tun, deputy prime minister; Foreign Minister U Ohn Gyaw; Brigadier Gen. Myo Thant, minister in the Office of the SLORC Chairman; and U Thein Han, Myanmar ambassador-designate to Cambodia.

6. Present on the Cambodian side were Ing Hout, minister of foreign affairs and international cooperation; Veng Sereivut, minister in the Council of Ministers Office and minister of tourism; Ek Sereivoat, state secretary for national defense; Sun Chanthol, state secretary for economy and finance and secretary general of the Council for the Development of Cambodia; Lu Laysreng, state secretary for trade and commerce; Dr. Chem Vitthya, permanent secretary in the Ministry of Foreign Affairs and International Cooperation; Li Thuch, director of the Cambodian Council of Ministers, adviser to the first prime minister, and officer in charge of environmental protection; Khek Larang, the current Cambodian ambassador to Laos and ambassador-designate to Myanmar; and Han Him, deputy chief of the International Cooperation Department of the Ministry of Foreign Affairs and International Cooperation.

7. SLORC Secretary-1 Lt. Gen. Khin Nyunt paid a separate call on Samdech Krompreah Norodom Ranariddh, the visiting first prime minister.

8. Veng Sereivut, minister in the Council of Ministers Office and minister of tourism, called on Lt. Gen. Kyaw Ba, minister of hotel and tourism. Lu Laysreng, state secretary for trade and commerce, called on Deputy Trade Minister U Aung Thaung. Sun Chanthol, state secretary for economy and finance and secretary general of the Council for the Development of Cambodia, called on U Ant Kyaw, director general of the Ministry of National Planning and Economic Development. Li Thuch, director of the Cambodian Council of Ministers and officer in charge of environmental protection, called on U Thaung Tun, secretary of the National Environmental Protection Commission.

9. The Burmese side briefed the visiting prime minister on our national objectives and endeavors in the political, economic, and social sectors to develop Myanmar as a peaceful, modern, and developmental nation. The first prime minister was briefed on the success obtained in establishing political stability and national solidarity; the successful implementation of the tasks of the National Convention to promulgate a new state constitution; economic development; the preservation of national

culture and prestige; and endeavors for the moral uplift of the general public. The first prime minister expressed Cambodia's pleasure at Myanmar's achievements and wished it further success.

10. The Myanmar side reiterated Myanmar's friendly relations with all countries in the world, especially neighboring countries, based on the Five Principles of Peaceful Coexistence. The Myanmar side expressed the view that major international developments in recent years have created new opportunities for increasing international cooperation, especially among the countries of the Southeast Asia region. Myanmar reiterated its belief that regional cooperation is not only beneficial for the respective countries, but also for regional peace, stability, and prosperity. Myanmar reconfirmed its commitment to cooperate with the Southeast Asian countries, especially the ASEAN nations.

11. Cambodia welcomed Mynamar's acceptance as an observer at the 29th ASEAN Ministerial Conference and expressed the view that this will contribute to regional peace, stability, and prosperity.

12. Regarding the general situation in Cambodia, the Cambodian side reported political stability, the consolidation of the internal legal system, and economic development since the formation of the Cambodian Government in 1993. The Cambodian side reiterated its foreign policy of neutrality, friendship, and international cooperation based on mutual benefit and bilateral recognition of and respect for independence, sovereignty, and territorial integrity. The Cambodian side informed the Myanmar side of its belief that the future of Cambodia lies in cooperation with the Southeast Asian region and participation in ASEAN. The Myanmar side expressed its pleasure at the positive developments in Cambodia and wished the government and people of Cambodia success in their endeavors for peace and national reconstruction.

13. The two sides reviewed their growing bilateral relations and expressed their mutual desire to promote the existing traditional friendship, understanding, and cooperation. The two sides agreed to exchange ambassadors. The two sides signed an agreement on the establishment of a joint commission to consolidate and expand relations between the Union of Myanmar and Cambodia, especially in the economic, trade, social, and cultural sectors and other fields of mutual interest.

14. The two sides expressed satisfaction at the successful visit to Myanmar by the first prime minister of Cambodia and expressed the hope that this visit will further contribute to bilateral relations and understanding.

15. Samdech Krompreah Norodom Ranariddh, the Cambodian first prime minister, and his consort Norodom Marie Ranariddh informed Senior Gen. Than Shwe, chairman of the SLORC and prime minister of the Union of Myanmar, and his wife of an invitation from the king of Cambodia to visit Cambodia at a convenient time. The Burmese side accepted with pleasure.

Burma: Than Shwe Receives Visiting Sri Lankan Foreign Minister

BK3001151896 Rangoon Radio Myanmar in Burmese 1330 GMT 30 Jan 96

[FBIS Translated Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma] and commander in chief of the Defense Services, received Mr. Lakshman Kadirgamar, the visiting foreign minister of the Democratic Socialist Republic of Sri Lanka, and delegation at the Ministry of Defense's Dagon House at 1600 today.

Also present were: General Maung Aye, SLORC vice chairman, deputy commander in chief of the Defense Services, and army commander in chief; Lieutenant General Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2; Foreign Affairs Minister U Ohn Gyaw; Protocol Department Director General Thura U Aung Htet; and Sri Lankan Ambassador Mr. K.B. Fernando.

Burma: Report on Surrender of More MTA Members 25-26 Jan

BK3101021196 Rangoon TV Myanmar Network in Burmese 1330 GMT 30 Jan 96

[FBIS Translated Text] At the present time, the armed groups of the national races have understood the actions by some foreign countries aimed at destroying Myanmar [Burma] and have joined hands with the State Law and Order Restoration Council [SLORC] Government for the development, peace, and tranquility of the nation.

The MTA [Mong Tai Army] armed group led by U Khun Sa has also realized that drugs are a menace to the human race and that the continued armed struggle against the Defense Services is not beneficial to the country. MTA members have been continuously returning to the legal fold since 5 January 1996.

A total of 107 MTA members led by Tun Aung, who were active in the southern Mae Sai-Nwe Chaung and Mong Ywan regions of Mong Hsat Township in Eastern Shan State, surrendered to the Defense Services column at Lwe Tun on 25 January, together with 25 assorted weapons and ammunition. Lieutenant Colonel Tun Yee, acting tactical commander, accepted the surrendered weapons and delivered an address.

Similarly, on 26 January, 41 MTA members led by San Hla surrendered to the military columns in the Lwe Tun region with six assorted weapons, while 24 members from the 51st MTA Battalion, who were active in the Mong Khuk region of Mong Hsat Township, surrendered with 22 assorted weapons .

A total of 1,891 MTA members led by Brigade Commander Chao Thitsu Lai have already returned to the legal fold, surrendering 1,182 assorted weapons to the Defense Services in the Lwe Tun region.

It has been learned that a total of 12,061 of the MTA members led by U Khun Sa have returned to the legal fold since 5 January 1996, surrendering 7,302 assorted weapons to the Defense Services.

Burmese Begin Administering Former Khun Sa Headquarters

BK2801132296 Bangkok THE SUNDAY POST in English 28 Jan 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Mae Hong Son — Rangoon has started to take over the administration of Ho Mong, the former headquarters of drug warlord Khun Sa which was handed over to the Burmese military regime early this month.

A well-informed Thai Border Patrol Police source said some 5,000 Burmese troops were dispatched to Ho Mong and Mong Mai, which are located opposite Muang Mae Hong Son district here, from January 20-25.

Two helicopter landing pads have also been built in the Pang Sua and Muang Mai camps, said the source, adding that about 1,500 Burmese troops have taken over all the former bases of Khun Sa's Mong Tai Army [MTA].

As earlier pledged by Rangoon, more than 30 teachers, doctors and nurses have arrived in Ho Mong from Rangoon and Taunggyi to help improve the standard of health and education among the Shan people.

The Burmese government plans to declare Ho Mong a district of Taunggyi and might appoint an MTA official as district chief, the source said.

Experts will also be sent there to develop hydro electricity generation and animal husbandry, while agricultural experts will follow later to help boost food production so the Shan people won't have to continue to rely on Thai imports.

Ho Mong, said the source, will be developed into a tourist area as part of "Visit Burma Year".

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Mahathir Says French Tests Caused 'Lot of Damage'

BK3101110396 Kuala Lumpur THE STAR in English 31 Jan 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — France has already caused a lot of damage despite its decision to halt nuclear tests, said Prime Minister Datuk Sri Dr Mahathir Mohamed.

"They have already exploded six bombs and caused a lot of damage.

"I hope people will never forget that this country (France) ignored the opinions of the rest of the world," he said after attending a ceremony to announce the Multimedia Malaysia 96 exposition and conference to be held in August.

France conducted its latest nuclear test, the sixth in the South Pacific on Sunday. French President Jacques Chirac announced his government's decision that it would be the last.

Malaysia: Lim Discloses Iraqi Offer of Oil Concession Bloc

BK3001135496 Kuala Lumpur NEW STRAITS TIMES in English 29 Jan 96 p 23

[Report by Azrin Azmi]

[FBIS Transcribed Text] Petronas [National Petroleum Corporation] and Malaysia Mining Corporation Bhd [company] (MMC) may expand into oil production in Iraq.

Primary Industries Minister Datuk Dr Lim Keng Yaik said Petronas had been offered a concession bloc in western Iraq by the Government in exchange for US$200 million to US$300 million (RM [Malaysian ringgit] 512 million to RM768 million) in advances in paper oil credits.

Meanwhile, MMC has signed a memorandum of understanding [MoU] for an appraised bloc, that is an area with known oil reserves.

Speaking to reporters, Dr Lim said Petronas was ready to extend the paper oil credits to the Iraq Government, but the national oil corporation wanted to be given an appraised area instead of the offered western bloc which still needed to be explored.

"I told them I hope they can work something out," Dr Lim said, referring to an earlier meeting with an Iraqi delegation led by its Minister of Industry and Minerals Adnan Abdul Majeed Jassim [name as published] in Kuala Lumpur yesterday.

On the MMC concession, he said the company signed the MoU about three months ago, but could not say the estimated size of the oil reserves in the area.

He added that he would meet with MMC officials to request that they extend the paper oil credits to Iraq.

The Iraqi delegation is in the country to buy palm oil under the palm oil credit payment arrangement, or Poopa.

To date, US$25 million has been extended to Iraq under Poopa, and the country is requesting an additional US$20 million.

Dr Lim said Iraq used to be a major customer of palm oil, buying 250,000 to 350,000 tonnes a year before the sanctions were imposed following its invasion of Kuwait in 1990.

Malaysia: Mahathir Meets Iraqi Industry Minister

JN3001171196 Baghdad INA in Arabic 0830 GMT 30 Jan 96

[FBIS Translated Text] Kuala Lumpur, 30 Jan (INA)—Malaysian Prime Minister Mahathir bin Mohamed received [Iraqi] Industry and Minerals Minister 'Adnan 'Abd-al-Majid, who is currently visiting Malaysia. The Malaysian prime minister asked the Iraqi minister to convey his greetings to His Excellency President Saddam Husayn.

They reviewed the friendly bilateral ties between the two countries, ways to promote them, and the impact of the harsh embargo on the Iraqi people.

The industry and minerals minister held talks with the Malaysian minister of primary industries on the prospects of economic cooperation between the two friendly countries.

Malaysia: Statistics Show Growing Trade Deficit

BK2701094996 Kuala Lumpur THE STAR in English 27 Jan 96

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia's trade deficit for October last year stood at RM [Malaysian ringgit] 1.6 billion, the Statistics Department said yesterday.

This compares with a deficit of RM254.2 million in September 1995 and a surplus of RM247.1 million in October 1994.

For the first 10 months of last year, the trade deficit amounted to RM9.8 billion compared with RM1.3 billion in the same period in 1994, the department said.

The deficit, which rose RM8.5 billion for the first 10 months of last year, attributed to a 26.6 per cent rise in imports to RM160.6 billion compared with a 20.1 per cent increase in exports to RM150.7 billion.

For the first 10 months of 1995, export earnings increased 20.1 per cent to RM150.7 billion from RM125.5 billion in 1994.

Malaysia's major trading partners during that period were Japan, the United States, Singapore, Taiwan, Germany, Hong Kong, South Korea, Britain and Thailand, who collectively accounted for 76.6 per cent of total trade.

The department said that among exports, thermionic valves and tubes, photocells and parts, remained the largest export earner representing RM26.5 billion or 17.6 per cent of total exports.

Palm oil, with an export value of RM8.8 billion or 5.8 per cent of the total, was the second largest revenue earner.

On imports, the department said they rose 26.6 per cent to RM160.6 billion from RM126.8 billion in 1994.

Machinery and transport equipment which represented RM96.4 billion or 60.1 per cent of the total import expenditure remained the largest contributor to this increase.

Malaysia Criticizes Overseas Reaction to Trade Deficit

BK2901135096 Kuala Lumpur Voice of Malaysia in English 0810 GMT 27 Jan 96

[Station commentary]

[FBIS Transcribed Text] For the past several weeks, the market has been abuzz with talk that Malaysia's trade balance has deteriorated further. This means that it will adversely affect the current account balance of payment situation. So when the Statistics Department reported a higher trade deficit of 9.8 billion ringgit in the first 10 months of 1995, there were many reactions.

What was most appalling was the reaction from the so-called overseas investment analysts. Many described the deficit as evidence of Malaysia's economy gradually taking the downtrodden path. Nothing could be farther from the truth. As Malaysian leaders have always explained, the nation is currently at a transitionary stage. In efforts to develop the manufacturing sector toward achieving Vision 2020 [goal for achieving developed nation status], Malaysia naturally has to import vast amount of intermediate and capital goods. This is necessary as Malaysia's industrial sector becomes more sophisticated and capital intensive inculcating modern technology. As such, it has to spend a lot of financial resources, which means very high imports versus exports, hence the trade deficit.

This is inevitable and it is evident of a growing economy from the community-based one to one incorporating heavy industries. In time to come, these industries will start to manufacture more goods and [words indistinct]. In turn, this would enhance Malaysia's foreign exchange earnings and in the process (?reduce) deficit position. Despite such economic facts, many so-called foreign experts tend to ridicule Malaysia's economic policy. What they clearly lack is a basic understanding of Malaysia. Even if they do, they rather turn out [words indistinct] possibly because they could be jealous of Malaysia's economic success.

The facts speak for themselves. Since the painful days of the recession, Malaysia has registered eight years of consecutive growth. It has clearly transformed its economy from one based on primary commodities to the manufacturing sector. Besides this, the massive influx of foreign investments is clear indication of the bright prospects of the Malaysian economy. Against this scenario, it is irritating to have to listen and read adverse reports about Malaysia. Even more exasperating is seeing some foreign [word indistinct] reacting to these reports because the case [word indistinct] recently when foreign traders speculated heavily against the ringgit. They preferred to ignore local sound economic fundamentals and political stability but rather react to adverse reports.

This is utter nonsense. It is clear that many in the West or some even near at home are envious of Malaysia's continuing economic success. It is best that (?economists) and critics turn to the problems in their own backyard. Unlike many others, Malaysia has a clear vision ahead and will strive to achieve those goals. It will continue to pursue pragmatic economic policies which are right for the country. These policies have worked for so long now and there is no reason why they cannot continue to do so.

Malaysia: Mahathir on Sabah Chief Minister's Rotation

BK3101091096 Kuala Lumpur THE STAR in English 31 Jan 96

[Report by Mergawati Zulfakar — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Barisan Nasional [BN, National Front] will rotate the Sabah Chief Ministership if the state component parties fail to reach a consensus.

"We will stick to our promise," Prime Minister Datuk Sri Dr Mahathir Mohamed said in reply to a question.

"I have said before that only if everyone agrees, I will change (the promise)," he told reporters after attending a ceremony to announce the Multimedia Malaysia 96 exposition and conference to be held in August.

Dr Mahathir said contrary to reports of the state BN giving him the mandate to decide on the issue, he had yet to receive information including Sabah UMNO's [United Malays National Organization] decision on the issue.

On Parti Bersatu Sabah's [Sabah United Party] call for a state election if the problem persisted, Dr Mahathir replied: "There is no need. We can settle this. It is not a problem. It is only a media problem."

The Prime Minister had repeatedly said the pledge of rotating the chief ministership made during the 1994 state election would be honoured unless all state Barisan Nasional parties reached a consensus to scrap it.

Datuk Mohamed Salleh Said Keruak, whose term as chief minister ends on March 17, had also said that Sabah UMNO would abide by Dr Mahathir's decision.

Malaysia: Witnesses Testify at Opposition MP's Sedition Trial

BK3101074496 Kuala Lumpur THE STAR in English 30 Jan 96

[Report by A. Letchumanan — received via Internet]

[FBIS Transcribed Text] Melaka — The High Court here was told yesterday that Kota Melaka MP Lim Guan Eng repeatedly voiced his dissatisfaction with Malaysia's laws alleging double standards at a ceramah [public speech] last year.

Det. Kpl. [Detective Corporal] Liu Show San said Lim this was because the alleged rape of a 15-year-old-girl was not brought to court as the Attorney-General had decided that former Melaka Chief Minister Tan Sri Abdul Rahim Tamby Chik was not involved. [sentence as received]

"Lim was also dissatisfied with the court's decision to detain the girl in question for three years, saying that it was Rahim who should be put in prison," said Liu.

He also said that Lim had claimed that many innocent people had been put in jail while those who committed offences walked free.

Liu said he jotted down the contents of Lim's speech, which touched on alleged sex scandals, corruption, money politics and land acquisition, on a piece of paper and destroyed it after compiling a report two hours later.

He said some 250 people, mostly Malays, had attended the ceramah and that Lim spoke in English, Mandarin and Bahasa Malaysia.

Liu was testifying at the trial of Lim who is charged for two separate offences, under the Sedition Act and the Printing Presses and Publications Act.

Lim, who is state DAP [Democratic Action Party] secretary, is alleged to have made the seditious statements at the Dewan Permai Sari, Hotel Emperor, Jalan [Road] Munsyi Abdullah here on January 19, 1995.

He also faces a second charge of publishing a pamphlet titled Ceramah Kisah Benar (Talk on a True Story) with the malicious intention to print false news under the title Mangsa Dipenjarakan (Victim Jailed) at Melaka Tengah District last January.

If convicted of sedition, Lim can be fined a maximum of RM [Malaysian ringgit] 5,000 or three years' jail, or both.

On the second charge, Lim faces a maximum fine of RM20,000 or three years' jail, or both.

Melaka Tengah OCPD [Officer in Charge of Police District] Mat Drus Sudin testified that DAP state assemblyman Yew Kok Kee had on January 8, 1995 applied for a permit to hold the ceramah and that it was approved on January 17.

Another witness, Lans Kpl [Lance Corporal] Zakaria Budin said he too heard Lim express dissatisfaction over Malaysian laws.

When the trial began, Mr Justice Datuk Mohd Noor Abdullah rejected an application by Lim's counsel Karpal Singh for separate trials for the two charges.

Mohd Noor dismissed Karpal Singh's objection that the second charge was defective because it did not specify the time, date and place.

The judge said there was adequate information in the charge for the accused to rebut under the laws.

Karpal Singh, who arrived 25 minutes late, was involved in a verbal tiff with the judge.

When Mohd Noor called the court into session at 9.05 am, only DPP [deputy public prosecutor] Azahar Mohamed, who was assisted by Wong Kian Kheong were present.

Three minutes later, J. Amardass, who is assisting Karpal Singh, came in accompanied by Guan Eng and a horde of DAP supporters.

DAP secretary-general Lim Kit Siang, Pendek Ahmad, the grandmother of the girl and about 50 DAP members including three state assemblymen wore black armbands.

Amardass apologised for the delay and requested for a 30-minute stand down as Karpal Singh was on the way from Kuala Lumpur but the judge said there was a directive that cases must start at 9 am.

Karpal Singh, who came in while Azahar was submitting the application to have a joint trial for the two charges said although there were new regulations for the judges to clock, they should use their discretion.

"It is not a static ruling that the judges must proceed irrespective of whether the counsel was present in court," he said.

Mohd Noor said that as long as a court was willing to wait for a lawyer, they would continue to come late to court.

The hearing continues today.

Singapore

Singapore: Editorial Views Clinton's State of Union Speech

BK2701133296 Singapore THE STRAITS TIMES in English 26 Jan 96 p 56

[Editorial: "Clinton Courts Mid-America"]

[FBIS Transcribed Text] Given that yet another government shutdown might be looming, President Bill Clinton did not acquit himself badly at all on Tuesday. His annual State of the Union message was noteworthy, in fact, for looking beyond immediate embarrassments and controversies to key issues that are dear to the heart of what is called Middle America. No President can go wrong by invoking family life, education, the economy, crime control, environmental protection, global leadership and effective government as areas for action. By doing this, Mr Clinton won praise even from some Republicans. Senator William Cohen complimented him on "a fine speech", and another Republican, Representative David McIntosh, bestowed his party's highest accolade on the speech by saying that Mr Ronald Reagan, whom Americans regard as a masterly communicator, might have delivered parts of it. The implication that Mr Clinton is trying to walk off with some of the Republicans' clothes seems to have dawned on his opponents only later.

Not surprisingly, the feud continues even stronger than before: only the day after, the Republicans turned down flat his offer to resume budget talks. It is a moot point, of course, whether the offer itself was only a public relations gesture or a serious proposal for a dialogue. Nor did the speech, sound and commendable in so far as it went, address contentious issues like Whitewater and Travelgate that haunt his presidency. Even less did it remove any of the widespread misgiving that though the President and First Lady Hillary Clinton may have nothing to hide, their response to the investigations, ranging from legalistic to cavalier, seems only to strengthen suspicion. Unfair as this might be, it is of consequence because no matter what he says or does not say, an American president's State of the Union message in the last year of his first tenure is bound to be treated as a bid for re-election.

An additional hazard was that, given the hostile composition of Congress, and the fiscal controversy that has twice shut down federal government operations, even the most objective presidential analysis would have sounded like a salvo of partisan guns. In this case, of course, the speech was nothing but partisan, most so when Mr Clinton appeared to take a dispassionate view of the state of the union, and appeal to the Republicans to rise above differences in the interest of consensus "in an age of possibility." Perhaps this was only to be expected. That Mr Clinton is determined to make the most of the nine months that remain of his term was evident when he made the State of the Union into something of a roadshow by reiterating it almost immediately afterwards in Kentucky.

No doubt, he will do so all over the country in the months to come, and as the tempo of campaigning picks up. To do him justice, the record of the last four years is hardly that of a "do-nothing liberal", to quote House of Representatives Speaker Newt Gingrich. The economy has recovered, employment is picking up, and inflation is down. Abroad, tactical victories seem to fall into the President's lap, enabling him to claim laurels in Haiti, Bosnia and the Middle East, and somewhat less justifiably, in Northern Ireland and southern Africa. All this found mention in the speech. But so did the hitherto undiscovered virtues of self-reliance, small government, and balanced budgets. Furious Republicans might object that this is their platform, that these are their party's objectives, and that Mr Clinton is in truth the proponent of "more government, bigger government and more meddlesome government". The opinion polls show that 60 per cent of the public disapproves of congressional performance, and most blame the Republicans for the stalemate. The Democrats seem to be edging back in public standing and the State of the Union message, promising to temper Republican pragmatism with care and compassion, can only help them.

Singapore: Laboratory Accreditation Agreement Signed

BK3001134396 Singapore BUSINESS TIMES in English 30 Jan 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] A major step to reduce technical barriers to trade between Singapore, Australia, Hong Kong, New Zealand and the US, has been taken.

The Singapore Institute of Standards and Industrial Research (SISIR) said Singapore and the four countries yesterday signed agreements on laboratory accreditation that would help lift the technical barriers on trade.

The agreements formally recognises the testing and calibration procedures of certain accredited laboratories in the five countries.

The signatories were the Singapore Laboratory Accreditation Scheme (Singlas), the National Association of Testing Authorities in Australia, Telarc New Zealand, Hong Kong Laboratory Accreditation Scheme and the American Association for Laboratory Accreditation.

SISIR's laboratory accreditation department senior manager Lam Kong Hong told reporters that Singapore was the first South-east Asian country to sign such agreements on laboratory accreditation recognition. He added: "We are now working on signing agreements with the Europeans."

Singapore: Daily on U.S. Warship's Passage via Taiwan Strait

BK3001130096 Singapore THE STRAITS TIMES in English 30 Jan 96 p 20

[Editorial: "Cruising in Troubled Waters"]

[FBIS Transcribed Text] Even routine deployments take on new meaning in unroutine times. So it was for a report last week, confirmed by the United States Defence Department, that the nuclear-powered aircraft carrier Nimitz and its escort battle group had sailed through the Taiwan Strait on December 19. The significance of the disclosure is not diminished by explanations that the carrier was on "routine deployment", that it made "a normal passage through international waters" and that this was not the first time a US military vessel had passed through the area, as American officials put it variously.

Admittedly, these are valid arguments; for example, it was not the first time that an American warship had travelled through the area (though, apparently, it was the first time that one had cruised near Taiwan since the US ended its mutual defence treaty with it upon recognising Beijing in 1979). Nevertheless, the larger point is that the Americans have taken a step which signifies their deep interest in a situation where military tension between Taiwan and China is rising, and which has the potential of turning into a flashpoint. What are important are the implications of that demonstration of US interest, carried out in one of the most telling of ways: through a display of military might.

If Washington's intention in making the move was to underscore that it is a Pacific power with interests in the Pacific, that is welcome — as is the way in which the journey of the Nimitz reiterated the right of passage through international waters. Looking at Taiwan in the context of US interests, the State Department spokesman noted last week that relations with Taipei were unofficial but added that those relations, especially trade ties, were "quite important" to America.

As for the future of the island, he repeated the US position that it was a matter for the Chinese people themselves on both sides of the strait to resolve, but that the US had an "abiding interest that any resolution be peaceful". In that connection, he referred to the Taiwan Relations Act, which states that it is US policy to "consider any effort to determine the future of Taiwan by other than peaceful means a threat to the peace and security of the Western Pacific area and of grave concern to the United States". Put bluntly, what the Nimitz left in its wake was a reminder, amid a backdrop of recent Chinese military manoeuvres directed at Taiwan, that the US is still a force to be reckoned with in Asia. It was a visual reminder that Beijing would have to factor the US presence into its calculations.

Two things are problematic about the American move, however. It does not clarify whether US support for Taiwan, which is a part of China would extend to helping the province defend itself if it declared independence and so provoked Beijing to carry out its threat of the use of military force to reclaim it. At issue is not whether the Americans are committed to protecting the status quo across the strait but whether they will continue to support Taiwan once the status quo is invalidated by a declaration of independence. That is the first point, and it is critical.

The second leads on from it. If the presence of the Nimitz was not a symbolic indication of America's commitment to see Taiwan through the military consequences of bidding for independence, it could create a false sense of security for Taiwanese who desire separation. Ambiguous signals are thus best avoided, especially since American — like Chinese — moves will be studied assiduously in the lead-up to the Taiwanese presidential election in March. What those moves do is raise the stakes in an increasingly risky game whose victims, should it unravel, will be primarily Taiwanese themselves. Instead, what is necessary is an effort by all sides to prevent the situation in the strait from escalating. Much depends on it, and not only for the players, because the issue touches on the peace, stability and prosperity of Pacific Asia.

Singapore: Role in Economic Development of Burma Viewed

BK3001133696 Singapore THE STRAITS TIMES in English 29 Jan 96 p 36

[Editorial: "A Catalyst in Myanmar"]

[FBIS Transcribed Text] The potential for Singapore to play a catalytic role in Myanmar's [Burma] economic development puts in perspective the growing links between the two countries. As Trade and Industry Minister Yeo Cheow Tong said at the first meeting of the Joint Ministerial Working Committee in Yangon [Rangoon] last week, though Singapore is Myanmar's second largest trading partner and foreign investor, the constraints of being a small country mean that annual investments may grow less rapidly after a while, and this may result in it ranking further down in the league of investors. In a happy irony, however, that would signify the success of its catalytic strategy. By investing in Myanmar, Singapore is signalling to potential investors that it is safe for them to do so, and thus leading the way for those who might eventually overtake it as investors. Its success there would be the best endorsement of its role.

The working committee's meeting afforded Mr. Yeo, Communications Minister Mah Bow Tan and National Development Minister Lim Hng Kiang, and their Myanmar counterparts on the panel, an opportunity to review — and look ahead at — the progress of bilateral cooperation in tourism, agro-business, telecommunications and infrastructure development. These have been identified as the most fruitful areas of cooperation, with the first two being given special attention initially. The Singapore party attended the topping-off ceremony of a hotel, the ground-laying ceremony of a port and the official opening of NTUC [National Trade Union Congress] FairPrice. The Myanmar leadership's presence at such occasions was an important symbolic reiteration of its support for the evolving relationship between the two countries, seen also in the signing of an updated air agreement and the endorsement of agricultural projects.

What needs to be done now is to build on the momentum achieved. Though this depends ultimately on businessmen themselves, regular and close interaction between ministers and officials from the two sides will help consolidate the framework within which progress can be speeded up. The working committee, whose mandate is to oversee the growth of economic ties, is an excellent vehicle for this purpose.

These bilateral economic developments which are important in themselves, have political implications, too, for Myanmar's integration into the region. Singapore's economic involvement in the country is a concrete expression of ASEAN's policy of constructive engagement with the military regime. The policy works on the idea that growing economic links with the rest of the world are the best way for Myanmar to achieve prosperity and social stability which, in turn, can be the basis for meaningful political change. The opposite strategy, the attempt to isolate the Yangon government, is easier to adopt — because isolation requires no investment, which engagement does — but its results are far more sobering than its idealistic claims would suggest. To isolate a government is to isolate a people, too; what happens to them happens, then, in isolation from and immunity to world opinion. By contrast, to engage a government is to draw it into a network of international relationships to whose political and moral influence it cannot but respond, to the benefit of the people themselves. Engagement is necessarily a painstaking process. Unlike the fall-of-the-Berlin-Wall-type victories which isolationists long for, often unrealistically, there are no widely accepted indices by which to judge what quantity of economic involvement has produced what degree of political change. Yet, engagement is viable in the longer term because economic growth cannot but have political consequences which reflect a people's desire for freedom, balanced with a government's duty to ensure stability. It is towards that larger end that investments by ASEAN and Singapore in Myanmar point.

Cambodia

Cambodia: Thailand Takes Former Naval Base off Koh Kong

BK3001115296 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 29-30 Jan 96 pp 1, 3

[Report by Dararit]

[FBIS Translated Text] Neighboring countries regularly grab Cambodian territory whenever Cambodians become complacent or divided. We have observed that our eastern and western borders have has been rolled back. Recently, the eastern border was invaded by Vietnamese coming in to plow land in Svay Rieng, Kompong Cham, Prey Veng, and Takeo.

Commodore Khieng Savan, commander of the Maritime Crime Suppression Division and deputy commander of the Khmer Royal Navy, said: Although the Thais have not used their forces to violate our territorial waters, we have lost the island of (Kaoh Kok), located near the border between Koh Kong and the Thai province of Trat, to them. This (Kaoh Kok) has always belonged to Cambodia and we want it back, but we do not have enough forces to take it back. We are waiting for the two governments to settle this issue through the border commission that has been set up between Cambodia and Thailand.

Commodore Khieng Savan went on: (Kaoh Kok) used to be one of our naval bases for the defense of our border. However, it was captured and turned into a Thai naval base when Cambodia was under the Khmer Rouge regime. The Thais have since built a strong defense fortification on this island.

According to the inhabitants along the western border, the Thais have also moved the borderline as deep into Cambodia as the Vietnamese have. Concerning (Kaoh Kok), since it was seized during the time of Pol Pot, we must take it back because it is a Cambodian island, he said.

Cambodia: First Prime Minister Views SRV Border Problem

BK2801153296 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 28 Jan 96 pp 1, 4

[Report by Dararit]

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister, said on the morning of 26 January 1996 at the Russei Sraoh Monastery in Nirout Commune in Phnom Penh City's Meanchey District that on 25 January, Vietnamese soldiers and police surrounded 15 of our policemen who tried to prevent violations by Vietnamese people in Svay Rieng Province. The prince krompreah did not give details of the incident, except to say that "it has not yet been resolved."

It should be specified that this is the fourth public statement by Prince Krompreah Norodom Ranariddh on the Vietnamese violations. He made the first statement on 16 January in Svay Rieng Province, the second at the Law School on 17 January, and the third in S'ang District of Kandal Province on 18 January.

It should be recalled that Vietnam's violations in Svay Rieng Province began on 27 December 1995, with tractors plowing land that Cambodians have worked for generations. The area already plowed amounts to 100 hectares. Vietnam's plan is to plow 1,000 hectares of land that Vietnam claims as its territory. The plowing was done in three villages; namely, Dong, Prey Tuol, and Angkunh in Dong commune, Romeas Hek District, Svay Rieng Province, adjoining Vietnam's Tay Ninh Province.

The prince krompreah also recalled the Hanoi joint declaration of 17 January 1995 between Cambodia and Vietnam, clearly stating that violations of each other's territory are not allowed and that the border issue should be left to Cambodia and Vietnam for a definitive solution, with no one allowed to work the other's land. This should be respected. He reiterated the stance that the Royal Government will strive to resolve the issue peacefully based on this joint declaration with Vietnam. We have ordered the minister of foreign affairs and international cooperation to invite the Vietnamese ambassador to Cambodia for talks. If the problem persists, we will suggest that Hanoi send a few of its men to inspect the border in the company of Cambodian Foreign Ministry officials and provincial officials from both sides of the border in order to find a peaceful solution based on the joint declaration he and Vo Van Kiet signed in Hanoi on 17 January 1995. We will absolutely not accept anything that is different from this declaration.

He added that the joint declaration is there and that we should work jointly to find a solution. This is how to ensure good relations between Cambodia and Vietnam.

It has been observed that Vietnam is conducting a war of words in response to Cambodia by accusing Cambodia of dispatching 80-100 special troops to the Takeo-An Giaang border area. The troops fired into the air as a warning to the Vietnamese living there. Co-Defense Minister Tie Banh has absolutely rejected this accusation.

Cambodian Commentary Welcomes Ranariddh's Burma Visit

*BK2801151196 Phnom Penh National Radio of Cambodia Network in Cambodian
1300 GMT 27 Jan 96*

[Commentary: "A Visit To Consolidate the Friendship That Already Exists"]

[FBIS Translated Text] On 27 January, Prince Krompreah Norodom Ranariddh, first prime minister of Cambodia, led a high-ranking delegation from the Royal Government of Cambodia to pay the first official friendship visit to Burma since ties between the two countries were cut more than 20 years ago. Before this visit by the prince krompreah, Cambodian Foreign Minister Ing Huot led an eight-member delegation to Burma on 25 January, during which Ing Huot met with members of Burma's State Law and Order Restoration Council. Ing Huot was also scheduled to hold official talks with Burmese Foreign Minister U Ohn Gyaw focusing on the resumption of diplomatic ties between the two countries and the restoration of Cambodian property and the former Cambodian Embassy in Rangoon. A bilateral agreement on this issue was expected to be signed. The high-ranking delegation led by Prince Krompreah Norodom Ranariddh will join the Ing Huot-led delegation already in Burma in holding talks with Burmese leaders on investment, tourism, and a number of infrastructure development projects.

In the view of various observers, the visit by Prince Krompreah Norodom Ranariddh, first prime minister of the Kingdom of Cambodia, to Burma on 27 January will further expand and tighten relations between the two countries. The two countries have had no officials relations since 1975, when the Khmer Rouge rebels, who were in control of Cambodia, cut the country off from the outside world. In August 1995, however, the two countries decided to set up diplomatic relations at the ambassadorial level with the Kingdom of Cambodia appointing Ambassador to Laos Khek Lerang as ambassador to Myanmar [Burma] and the Myanmar side — that is, Burma — giving the role of ambassador to Cambodia to the Myanmar ambassador to Laos.

Therefore, the presence of the prince krompreah in Myanmar is an important step toward the Kingdom of Cambodia's smooth entry into ASEAN in 1997. ASEAN officials say that ASEAN will include all 10 countries of Southeast Asia no later than 2000. Although some countries have tried to avoid relations with Myanmar because the Myanmar Government does not allow democratic reforms, the Kingdom of Cambodia wants to establish bilateral friendly relations with all ASEAN countries, including Myanmar and Vietnam.

Analysts say that during the visit to Myanmar, apart from focusing on the property of the Kingdom of Cambodia abandoned in this country when relations between the two countries were cut in the 1970's, the Kingdom of Cambodia and Myanmar will also discuss how to end the narcotics trade between the two countries. This has surprised U.S. drug enforcement officials working in the region. Lately, U.S. officials have said there is evidence that outlawed rebel troops in the Kingdom of Cambodia and in Burma are working together in the drug trade. Furthermore, analysts believe that Cambodia and Myanmar will exchange experiences in fighting rebels in their respective countries as well as other good measures in order for both to become ASEAN members.

The Cambodian people, who resolutely unite around the Royal Government under the cool shade of the throne, are convinced that the prince krompreah's visit to Myanmar will be brilliantly fruitful in the cause of consolidating the long-standing relations of friendship and solidarity between the two countries and will contribute to consolidating and expanding friendship and solidarity in the region and the world.

Cambodia: Observers Say Ranariddh 'Testing Hun Sen'

BK3001110996 Phnom Penh PHNOM PENH POST in English 26 Jan-8 Feb 96 p 2

[Report by Jason Barber and Ker Munthit]

[FBIS Transcribed Text] Cambodia's traditionally uneasy relations with Vietnam remain in the political spotlight, after First Prime Minister Prince Norodom Ranariddh lashed out at alleged landgrabbing by the Vietnamese.

Days after debate over Vietnam's history in Cambodia was revived by the reinstatement of the January 7 public holiday, Ranariddh alleged a recent Vietnamese "invasion" in the form of encroachments on Cambodian land.

The FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] leader accused Vietnamese farmers, backed by soldiers, of advancing several hundred meters into Cambodian territory in Svay Rieng and Prey Veng Provinces.

Ranariddh said that Vietnam's moving of the border between the countries by 300-400 meters—"even one centimeter"—still represented an invasion of Cambodia.

Vietnam farmers and tractors were not working on lands which they had not before, he said, protected in at least one Svay Rieng border area by Vietnamese troops.

Ranariddh's comments won the support of Buddhist Liberal Democratic Party faction leader Son Sann, who said Khmers had suffered for many years from such incursions.

Sann—leader of the Khmer Krom, who descend from former Cambodian land now part of southern Vietnam—urged the Vietnamese Government to pursue a "long overdue" peaceful settlement over border disputes.

Even Sam Rangsi, who Ranariddh was instrumental in having expelled from FUNCINPEC, offered a degree of praise for the Prime Minister by saying he was correct to raise the issue.

But Rangsi urged Ranariddh to go further, and to take action to try to get border treaties with Vietnam—signed by the former regime headed by current Second Prime Minister Hun Sen—cancelled.

"It's not a matter of being anti-Vietnamese," Rangsi said. "If we have some problems with Vietnam, which we do, we should say so."

Several political observers spoken to by the POST largely attributed Ranariddh's comments to domestic politics. They noted Hun Sen's recent move to expel FUNCINPEC Secretary-General Prince Norodom Sirivut, and to bring back the January 7 holiday marking Vietnam's 1979 invasion to oust the Khmer Rouge regime.

"Maybe some of Ranariddh's advisers are telling him it's time to strike back," said one observer.

"He's testing Hun Sen, like Hun Sen was testing him over Sirivut and January 7."

Other observers pointed to the recent return of Sam Rangsi—a strong critic of the loss of Cambodian land to Vietnam as a contributing factor for Ranariddh's statement.

Speaking Jan 17, Ranariddh accused Vietnam of "a complete violation" of an agreement to preserve the border status quo until a joint working group was set up to discuss disputed territory.

He urged the working group be formed urgently.

Vietnam, in several statements issued by its Phnom Penh embassy, responded by saying it always respected Cambodia's territorial integrity. It said any disputes should be settled peacefully by negotiation, at either the local level or through the joint working group.

"Regrettably...this mechanism has not been used yet," a Jan 20 statement from the embassy said.

Ranariddh, in his comments, spoke of one Cambodian being killed and two Vietnamese injured in border clashes. But Cambodian and Vietnamese officials were unable to confirm that report.

Cambodian Interior Ministry Spokesmen said staff had been sent to several areas to investigate.

Cambodian Paper: Sirivut Plans To 'Return' One Day

BK3001085796 Phnom Penh PHNOM PENH POST in English 26 Jan-8 Feb 96 p 1

[Report by Jason Barber]

[FBIS Transcribed Text] Exiled Prince Norodom Sirivut says as far as he is concerned he is FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] member and an MP, "temporarily" abroad and awaiting his return to Cambodia.

"I don't think I can just sit and fish on the Seine River," Sirivut told the POST from Paris this week.

"I would like to be clear that I cannot just stay quiet. I have suffered for 20 years to participate in democracy in Cambodia."

Sirivut said he had written to National Assembly President Chea Sim asking that his Parliamentary seat not be replaced by another FUNCINPEC MP.

"I consider myself as a member of FUNCINPEC still, as an MP still [but] I have some difficulties in being in Cambodia at the moment.

"My departure is just temporary. Judicially, I'm a free man, innocent until judgment is passed. I'm still innocent and I hope that my court case will be a fair trial."

Sirivut said he had two problems. The first was the legal one — and whether he would be tried in absentia on charges of attempting to overthrow the government — and the other a "political one."

"I prepare myself to face these two areas."

Sirivut said his lawyers would strongly defend him if his case went to trial and, if he did not, there was nothing which should stop his return to Cambodia.

"They cannot forbid me to come back if there is no trial. I'm innocent, I'm a free man with a Cambodian passport, I'm ready to serve the Cambodian nation."

Sirivut — exiled in November under a deal brokered by the King, after allegedly threatening to kill Second Prime Minister Hun Sen —said: "My real wish is to go back home."

"I continue to proclaim my innocence...I don't want to kill anyone, as you well know. I'm always against the military option; democracy, the free press — that is my struggle."

Sirivut said he intended to keep contact with academics, perhaps giving some lectures or writing papers, as well as overseas Khmers [sentence as printed].

Sirivut — whose exile deal included a promise not to engage in politics — maintained his actions would not be political.

"It's not political to be against corruption, to be against drugs, against the prostitution of minors, the non-respect for the environment. Every Cambodian has a duty to think about morality."

In response to a question, he said he supported the ideas of dissident politician Sam Rangsi but would not join his party.

"Maybe one day if I am not in FUNCINPEC I can create my own party. But it's premature to say that. But I support Sam Rangsi's ideas — the ideas of Sam Rangsi should be supported by everybody."

On his exile arranged by the King, Sirivut said: "Please underline this, I would like to express my profound gratitude to His Majesty the King. He saved my life."

Asked whether he regretted making private comments which may be used as evidence against him, Sirivut said: "What I said or did not say is not important."

"What is important is that Article 40 of the Constitution does not allow anybody to tape anybody... this point must not be used in evidence," he said of an alleged tape-recording of him threatening to kill Hun Sen.

"The thing that is important to me is what perception the Cambodian people have about me, about my own innocence — that they keep in their own minds who is the bad guy and who is the good guy."

"Even abroad now, I can help Cambodia and the Cambodian people. One day I will talk to them directly."

Cambodian Analyst on Rift in Sam Rangsi's Party

BK3001073596 Phnom Penh THE CAMBODIA TIMES in English 28 Jan-3 Feb 96

[Analysis by Mehran Chinniah: "Is the KNP Cracking Up?" — received via Internet]

[FBIS Transcribed Text] Sam Rangsi, the government's most outspoken critic, is seeking to downplay a spate of resignations within his own Khmer Nation Party (KNP) which he is using to spearhead his bid to wrest control of the government in 1998 general elections.

"There are rumours of divisions in the party... rumours that resignations are going to snowball and that KNP is facing difficulties. I deny these rumours," Rangsi, who heads the party, said.

There is little doubt that Rangsi's KNP is the most formidable opponent to the ruling government headed by Co-Prime Ministers Prince Norodom Ranariddh and Samdech Hun Sen.

But some observers feel that the internal bickering may unravel the KNP even before the general elections are held.

The first cracks appeared when four of the 42 member steering committee resigned lately, inducing speculation of a split within the ranks.

The four are Phan Sina, Nop An, Nu Beng and Duong Sarom.

Rangsi attributed the resignations to personal clashes, saying the four had not questioned KNP principles or its leadership. "They leave as allies and friends," he said, saying his leadership of the KNP was not under threat at all.

In fact, Rangsi feels he can still do a deal with those who resigned when the general election approaches. "Since we share the same ideas, we may meet again and form the next coalition government after 1998," a confident Rangsi said.

Talks of a rift within the KNP surfaced when Phan Sina tendered his resignation letter on January 15, citing lack of reverence to King Norodom Sihanouk by senior party officials as his reason for quitting. Rangsi has steadfastly maintained that his party strongly supports the monarchy.

The KNP suffered another blow when party Vice-President Nguon Soeur on January 22 threatened to resign on grounds of disagreements with fellow members.

Rangsi sought to downplay internal bickering, attributing their departure to a natural streamlining of the party.

He said: "KNP was formed very quickly. We could not give too much notice (to the government), so we did it very rapidly. Many people from many different backgrounds joined the KNP and I had to give them positions according to their previous positions.

"It is natural for people from different backgrounds and (diverse) political parties not to get along well with each other," Rangsi said.

As KNP settles down before the general elections in 1998, several political analysts say the party may well prove to be a formidable challenge to the government. But will the internal bickering widen the small cracks that have begun to appear even as the party remains banned and illegal?

At least one FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] MP thinks not. "All political parties have these kinds of problems. It is a small matter that needs ironing out."

A foreign diplomat is less sure. "The party is gaining some support and many impatient second rank leaders might just want to throw their hats into the ring — and Rangsi is in the way."

Senior KNP members have indicated their irritation that the party has become synonymous with the outspoken former finance minister. Nguon Soeur told the CAMBODIA TIMES: "This is KNP party, not Sam Rangsi Party."

But for the time being, Sam Rangsi appears the only opposition leader with the gumption and muscle to take on the coalition.

Thai Paper: Cambodian Police Search Rangsi's Headquarters

BK3001052096 Bangkok THE NATION in English 30 Jan 96 p A8

[Unattributed Report]

[FBIS Transcribed Text] Phnom Penh — What at first appeared to be a robbery yesterday turned out to be a search of the banned Khmer Nation Party [KNP] office of outspoken former Cambodian Finance Minister Sam Rangsi, which resulted in the seizure of an AK-47 assault rifle and a walkie-talkie.

A KNP office employee, identified as Kuy Bunroeun, was driving his car from the KNP headquarters on a small road nearby.

He was ordered to stop by two traffic policemen who asked to check his driving licence, said KNP Secretary-General Khieu Rada.

Khieu said Bunroeun was about to hand over his licence when three men on a motorcycle stopped next to him and pushed their way into his car.

Bunroeun, however, was able to get out of the vehicle, and the three drove away, leaving him on his own.

"Bunroeun sought help from armed security guards of the KNP party located nearby," said Khieu.

"The traffic policemen said that as the owner of the vehicle was a KNP member, they should write a report about the robbery inside KNP headquarters.

"They then went there together with the armed security guards."

Khieu quoted the police as saying that they were not forced to go to the KNP office.

However, as the police were writing the report, they were informed by radio that their superiors had issued a warrant to search the KNP headquarters.

The compound was then surrounded by dozens of heavily-armed police, some of whom entered the compound and arrested those inside, including journalists who were present.

The search resulted in the seizure of an assault rifle and walkie-talkie.

A reliable source quoted a senior police officer as saying the arrest warrant was issued because the two traffic police officers had been forced to go to the KNP headquarters and were being detained.

Khieu claimed the incident was well planned and politically motivated.

The Cambodian Government has banned the KNP and ordered party activities suspended, citing that it did not submit required documents for registering the party.

Sam Rangsi is known for his criticism of the government and corruption in the country.

He is currently in Australia.

Yesterday's incident happened at a time when the KNP has been experiencing internal conflicts, with four senior members recently quitting the party.

The party's Vice-President Nguor Soeur, a former national police chief, defected from the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] Party and is seeking the dismissal of Khieu.

Thai Paper: Cambodian Forces Seize Key Khmer Rouge Base

BK3001051796 Bangkok BANGKOK POST in English 30 Jan 96 p 1

[Report by Thawisak Butchan]

[FBIS Transcribed Text] Nam Yun, Ubon Ratchathani — Cambodian Government forces yesterday overran the Khmer Rouge stronghold at An Ma Pass after a seven-hour battle, a Thai Army source confirmed.

One Thai ranger, Samon Chathaket, was seriously wounded when a rocket fired by Cambodian Government forces fell on the Thai Army's Thepsathit forward outpost, located near the pass which straddles the common border.

"At around 3:00 p.m this afternoon Cambodian forces overran the pass," said an army officer based in the area.

The source said around 1,000 Cambodian soldiers and three tanks supported by artillery were deployed for yesterday's assault against an estimated 200 Khmer Rouge guerrillas.

The two sides have fought for control of the pass for the past two years. The Khmer Rouge seized the pass back from Cambodian forces last July. Cambodian soldiers tried unsuccessfully during the past six months to recapture it, until yesterday.

Retaking the pass from the guerrillas was very important for the Cambodian Government as it is a strategic supply route for northern Cambodia which depends on rice and salt, and other supplies from the Thai side.

The assault is part of the Cambodian Government's dry offensive designed to wipe out the guerrillas.

Cambodian troops pushed towards the Khmer Rouge headquarters at Pailin yesterday but soldiers said they were forced to make new roads through the bush to avoid mines on the existing route.

"We are afraid to walk along the old road because there are many, many mines," said one military official near the front line.

Cambodia: Khmer Rouge Claims Capture of Dang Tong District Seat

BK3101031596 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 30 Jan 96

[FBIS Translated Text] The National Army, in cooperation with the poor peasants who are furious with the enemy, staged a three- pronged attack on the seat of Dang Tong District and the office building of Dang Tong commune on the Kampot battlefield on the night of 27 January.

The first prong was directed at the seat of Dang Tong District; the second at the district police station; and the third at the office building of Dang Tong commune. After more than 30 minutes of the attack that was simultaneously launched on three prongs, we completely captured the Dang Tong District seat. We killed three enemy soldiers on the spot and wounded seven others. We also destroyed an arms depot that contained over 200 assorted guns, 115 offices which included the office buildings of the district and commune, and a rice warehouse. We seized a pistol, five AK assault rifles, a walkie-talkie, 100 rounds of AK ammunition, six B-40 rockets, over 30 sets of uniforms, and some war materiel.

Cambodia: Khmer Rouge Claim Victory on An Seh Front

BK3001042296 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 29 Jan 96

[FBIS Translated Text] Our national resistance forces attacked and smashed the two-headed troop operations to seize An Seh pass in Choam Khsan District on Preah Vihear Province on 27 and 28 January. In the two-day battle, our resistance forces killed or wounded 58 enemy soldiers and set ablaze two tanks.

The routed two-headed troops are suffering from food and water shortages and are deserting the battlefield.

Our national resistance forces are continuing to attack enemy forces.

Cambodian Plan To Export Rice Forwarded to Cabinet

BK2801143096 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 28 Jan 96

[FBIS Translated Text] Last month's discussion by officials from the Ministries of Trade, Agriculture, and Finance of the plan to export over 100,000 tons of rice in 1996 has been forwarded to the Cabinet and is awaiting a decision.

There is already a market for the export; the foreign market has already agreed to buy the entire amount to be exported. Trade Ministry officials say that after learning that Cambodia plans to export around 100,000 tons of rice, foreign companies have already contacted us. Foreign companies planning to export Cambodian rice for the first time include those from South Korea, Hong Kong, and France. Trade Ministry officials add that the Korean company alone wants to export over 100,000 tons while companies in Hong Kong and France want to export at least 5,000 tons each.

In exporting Cambodian rice, some countries plan to re-export the rice because they have branches abroad. Furthermore, some companies have already signed contracts to export rice to countries with large populations and those that have faced natural disasters such as China. The Korean company wants to have Cambodian rice for sale at home and also for export to other countries because they have already signed contracts to do so.

Concerning the price of the rice to be exported, the same officials confirm that there is no problem because of the quality of the rice. Companies buying the rice will agree with the peasants who own the product. In the first rice export plan, the amount will be about 100,000 tons. In the report submitted to the Cabinet, officials say they plan to issue export certificates. The committee made up of officials from the three ministries will hold further discussions to set a limit on each certificate, whether 3,000 or 5,000 tons.

Cambodian Farmers Urged To Increase Rice Production

BK3001073196 Phnom Penh THE CAMBODIA TIMES in English 28 Jan-3 Feb 96

[Report by S. Sophal — received via Internet]

[FBIS Transcribed Text] A senior commerce ministry official recently called on rice farmers to increase their rice production to meet the demand of households in the kingdom.

"Local farmers produced only enough rice for their own households... they could not sell their yields in the open market," said Commerce Ministry Secretary of State Lu Laysreng. As a result, the Kingdom imported 2.2 million tonnes of rice from Vietnam last year, he said.

Lu also urged the farmers to plant other crops like soybean, sesame seeds and red peppers to supplement their household income. He added that many foreign companies sought to cultivate crops such as oil palm and cashew nuts for export as these commodities gave better cash return.

Lu said though rice production had normalised this year, the Kingdom does not have the capacity to export rice as conventional methods are still being use in cultivation and harvesting.

Indonesia

Indonesia Daily Urges Compromise on Nuclear Treaty

BK1701152196 Jakarta KOMPAS in Indonesian 16 Jan 96

[Editorial: "A Compromise Should Be Achieved To Make the Nuclear-Free Zone Treaty Significant" — received via Internet; italicized passages in English]

[FBIS Translated Text] Winston Lord, U.S. Assistant Secretary of State for East Asian and Pacific Affairs, said in Bangkok, Thailand on Saturday that the United States is working on altering the essence of the *Southeast Asia Nuclear Weapon-Free Zone Treaty (SEANWFZ)*, signed at the Fifth ASEAN Summit in December. The United States is worried that if the content of the SEANWFZ is not altered, the navigational right in the region will be reduced.

The nuclear-free zone, reinforced through the treaty, is also applicable to the continental shelf and the exclusive economic zone, but the treaty has not been signed by the five nuclear power states — the United States, Britain, China, Russia, and France. These countries believe that this treaty is going to pose a threat to the movement of their nuclear-powered war ships in various parts of the world.

ASEAN is using the 1982 Convention on the Law of the Sea as a basis for determining the nuclear weapons-free zone in Southeast Asia, which to date, has not been signed by the United States, China, and other nuclear power states.

It is not surprising then that when the SEANWFZ Treaty was about to be signed in early December, U.S. State Department Spokesman Nicholas Burns said the United States felt that the Southeast Asian countries were using the treaty to expand their *gripping jurisdiction*.

China has demonstrated a similar attitude. China is worried that the treaty will complicate its territorial claim to the Spratly Islands in the South China Sea.

China, Taiwan, and four ASEAN member countries — Vietnam, the Philippines, Malaysia, and Brunei Darussalam — have overlapping claims to the Spratly Islands. By including the Spratly Islands in the Southeast Asian nuclear-free zone endorsed by ASEAN, China believes that ASEAN considers the Spratly Islands as part of its territory.

Burns stated that the treaty is restrictive, because it will ban U.S. nuclear-powered submarines from making stopovers in Southeast Asian waters; it is not accurate in its definition of nuclear weapons, and it does not stipulate verification in the text of the treaty.

In reaction to this statement, ASEAN feels that U.S. citizens misinterpreted the treaty. Foreign Minister Ali Alatas said that the U.S.'s rejection of the treaty was known from the beginning; and so ASEAN tried to avoid clauses that would have been considered sensitive to the United States and other nuclear powers in preparing the treaty.

In fact, ASEAN did allow U.S. warships and submarines, probably carrying nuclear weapons, to stopover in Southeast Asian waters, so long as the ships do not show any intention of going to war.

ASEAN is doing all this because it is aware that without the support and assurance of the five nuclear power states, the significance of the SEANWFZ Treaty will be reduced.

It seems that ASEAN's hard work is still insufficient, because apparently, the presence of Winston Lord in Bangkok shows that the United States is trying to alter the essence of the treaty signed by the 10 Southeast Asian countries.

There are two reactions to the U.S. desire to alter the essence of the SEANWFZ Treaty. On the one hand, the U.S. attitude can be considered as very arrogant, displayed by a big country toward a weaker ASEAN.

On the other hand, ASEAN understands U.S. apprehension because of its global defense strategy. The emergence of nuclear-free zones will restrict the movements of U.S. global strike forces. For this reason the United States is interested in protecting the freedom of movement of its warships and nuclear submarines in various parts of the world both in time of war and peace.

During the Iraqi occupation of Kuwait, which later developed into the Gulf war between Iraq and U.S.-led multinational forces, this superpower used its military base in the Philippines — now closed — and passed through Southeast Asian waters to deploy its forces to the Middle East.

Once the SEANWFZ Treaty is implemented, the United States is not sure whether it can continue to enjoy using the Southeast Asian region like it used to.

The United States attaches great importance to the assurance that its warships will be allowed to move through the Southeast Asian waters, because its navy, particularly the submarines, are very strong strike forces. Should a nuclear war erupt and pose a threat to the United States, the presence of its naval fleet in this region, particularly the submarines, will be considered the most strategic base for launching a second strike.

Moreover, there has been no restriction yet as to the number of nuclear warheads on submarines.

Inasmuch as the United States attaches great importance to the freedom of movement of its warships and submarines in various parts of the world, ASEAN considers the creation of the nuclear-free zone in Southeast Asia as very important too. This is to protect the countries in the region from any eventuality of a nuclear war.

The SEANWFZ Treaty signed by the leaders of 10 Southeast Asian countries, among other things, prohibits the possession, production, development, and testing of nuclear weapons, but it allows the right of innocent passage through the region by foreign vessels, either carrying nuclear weapons or not. The treaty also makes it compulsory for the 10 Southeast Asian countries to comply with international nuclear safety standards in the development of nuclear energy for peaceful purposes in any of these countries.

For this reason, the two sides have no choice but to try to reach a compromise. Without a compromise on this issue, it will be difficult to implement the SEANWFZ Treaty that will be honored both by the countries in the region and by the five nuclear power states.

Regarding this, Southeast Asian countries are required to adopt a spirit of openness in efforts to reach a compromise that will mutually benefit all sides.

Otherwise, the SEANWFZ Treaty signed at the Fifth ASEAN Summit at the end of last year is going to be useless should the five nuclear power states totally choose to ignore it.

Indonesia Official: Nuclear Plant Construction To Start in 1998

BK2501093196 Jakarta KOMPAS in Indonesian 25 Jan 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, KOMPAS — Jali Ahimsa, director general of the National Atomic Energy Agency (BATAN), has said construction of a nuclear power plant in the Muria Peninsula will start at the beginning of 1998 with foreign aid.

"We hope that Indonesia can build its first nuclear power plant in 1998 or 1999, Jali told journalists after he reported the matter to President Suharto at Bina Graha Presidential Office in Jakarta on Wednesday, 24 January.

He said that the Muria Peninsula is the most suitable place for the project; there is no need to search for another site. He added that "it has been concluded that Muria, at the tip of Lemhabang, is the most acceptable [preceding word in English] place for the nuclear power plant. Although we still have to finish compiling data, in general we feel that the place is acceptable [preceding word in English]."

Jali has said that a study of the site is almost completed. The project consultant is completing the final report. BATAN is expected to get the report in May or June this year.

He said two companies — Atomic Energy of Canada Limited (AECL), a Canadian state enterprise dealing in the construction of nuclear power stations; and Westinghouse Electric Corp from the United States — have submitted proposals for the construction of the nuclear power plant in Muria.

He said Canada had expressed its wish to become an investor in nuclear power plant projects in Indonesia during a meeting between Prime Minister Jean Chretien and President Suharto when the former was visiting Jakarta two weeks ago. At that time Chretien offered Indonesia a 600-megawatt nuclear reactor.

According to Jali, the United States will soon offer to construct the nuclear power plant project under the BOO (built, operate, and own) [preceding four words in English] system using a 900-megawatt reactor. Westinghouse is very likely to cooperate with Japan's Mitsubishi on the project. [passage omitted]

Indonesia: Joint Ministerial Commission Established With Iraq

BK2401131096 Jakarta ANTARA in Indonesian 1132 GMT 24 Jan 96

[FBIS Translated Text] Jakarta, 24 Jan (ANTARA) — Sumadi Brotodiningrat, director general for foreign economic relations in the Department of Foreign Affairs, and Iraqi Ambassador to Indonesia Sa'dun Jabar al-Zabaydi have exchanged notes on the establishment of a joint ministerial commission. In addition, an agreement on economic, scientific, and technological cooperation was also signed.

The exchange of notes on the establishment of the joint commission sets the stage for the two countries to implement the agreement. According to Sumadi, the joint commission has been established to identify areas of cooperation to enhance economic, scientific, and technical cooperation between the two countries. In addition, the joint commission will explore possible cooperation between the countries' agencies and business communities to enhance bilateral economic, scientific, and technical cooperation [words indistinct]. The Indonesia-Iraq Joint Commission will meet alternately in Indonesia and Iraq under the co-chairmanship of ministerial-level officials. The results of the joint commission meetings will be embodied in "agreed minutes" [preceding two words in English] signed by the chief delegates.

Meanwhile, the agreement on economic, scientific, and technological cooperation serves as an umbrella to promote direct trade and investment and sets up partnerships between companies in the two countries. Under the agreement, the two sides agree that intellectual property rights arising from the agreement will be jointly owned. Each side is allowed to use, maintain, and promote the intellectual property rights.

Indonesia: Ministers Announce New Deregulation Package

BK2701121496 Jakarta KOMPAS in Indonesian 27 Jan 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, KOMPAS — Foreign investors will be allowed to establish fully owned export trading firms. Previously, they were allowed to do so only in a joint venture with Indonesian partners. The scope of export commodity goods has also been expanded. Before, foreign investors could only export manufactured goods, but now agricultural, forestry, fishery, and mining products are also allowed.

The first phase of the 1996 economic deregulation package was jointly announced by Finance Minister Mar'ie Muhammad and Industries and Trade Minister Tunky Ariwibowo at the Industries and Trade Department in Jakarta on Friday (26 January)

The new deregulation package covers industrial, trade, and financial sectors. "The next phase will be expanded to cover the areas of manpower, communications, land, agriculture, mining, and energy," said Tunky.

The deregulation in the financial sector includes expansion of customs and taxation facilities as well as opportunities for the private sector. The deregulation in the industries and trade sectors is aimed at boosting export-oriented industries, streamlining export and import procedures, increasing business opportunities for foreign companies, and enhancing the use of domestic capital goods and raw materials.

The new deregulation package was greeted with mixed reactions from several quarters. "The package is acceptable only if it is aimed at reducing trade barriers," said Dr. Jisman Simanjuntak, executive director of the Prasetya Mulya Institute of Management. However, looking at the percentage of import tariff reduction, Jisman described it as "doubtful", saying: "If it is aimed at boosting exports, the reduction should have been more significant."

It is worth studying to what extent the facilities in the new deregulation will boost export-oriented investments because the current industrial capacity is not adequate for export expansion. [passage omitted on comments by other economists]

Indonesia Dailies on New Economic Deregulation Package

BK2701141396 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 27 Jan 96

[From the press review]

[FBIS Translated Text] MEDIA INDONESIA says the new deregulation package in the industrial, trade, and financial sectors was finally announced by Finance Minister Mar'ie Muhammad and Industries and Trade Minister Tunky Ariwibowo in Jakarta yesterday after several days' delay.

This daily believes that the government's past economic deregulation packages have been mostly successful, at least in boosting revenues from the nonoil and nongas exports. However, the growth of nonoil and nongas exports in the past five years has made the government hesitant to initiate a new deregulation package. The government has not helped consumers in several economic sectors while domestic economic growth moves unchecked. Imports are also growing, taking the trade deficit to a worrying level. Latest reports say our trade deficit has reached U.S.$7.9 billion and it will continue to swell if we fail to boost exports.

MEDIA INDONESIA says our enemy is no longer the inflation rate, which must not reach the two-digit level, but rather our increasingly expanding trade deficit. Therefore, the deregulation package announced yesterday should bring hope as well as a challenge. The import tariff for several capital goods has been slashed. MEDIA INDONESIA believes that the country's exports must be promoted through the concept of Indonesia, Inc., which is still considered unpopular.

Commenting on the same topic, SUARA KARYA notices that a new attitude has emerged, namely, the announcement of the new deregulation package in an urgent manner, without waiting for deregulation in other sectors. Businessmen may appreciate this move to cope with the increasingly fast global trade competition.

Indonesia Officer: 'Military Operation' To Free Hostages Possible

BK3101095496 Jakarta ANTARA in Indonesian 0821 GMT 31 Jan 96

[FBIS Translated Text] Wamena, 31 Jan (ANTARA) — Lieutenant General Suyono, chief of ABRI [Armed Forces of the Republic of Indonesia] General Staff, says a military operation to free the 13 hostages from the Irian Jaya GPK [security disturbance movement] does not mean a combat operation in the sense of an attack [operasi tempur dalam artian penyerbuan].

"Don't misinterpret the concept of a military operation. There are three types of activities in a military operation, namely, territorial, intelligence, and combat activities," Suyono told ANTARA in Wamena on Wednesday.

Lt. Gen. Suyono said this in connection with a possible limited military operation against the abductors in response to their plan to take the hostages away from Mapenduma village.

The former commander of the Diponegoro Sixth Regional Military Command added that the ABRI headquarters had given full authority to the Trikora Irian Jaya military commander to resort to any type of military operation as described earlier.

"Now it is up to the Trikora military commander to resort to a territorial, an intelligence, or if necessary, a combat action," Suyono said.

He said the Trikora Regional Military Command is authorized to use each of the three types of military activity, or even combine them because it will take a lot of time and efforts to free the hostages.

Replying to a question that ABRI personnel have moved toward Mapenduma village while GPK abductors have called for no activities aimed at moving toward the hostage-taking site, Suyono said the question should be directed to the commander of the Irian Jaya Regional Military Command.

To facilitate communications between the ABRI headquarters in Jakarta and the Trikora Irian Jaya Regional Military Command, a sophisticated facility called "teleconference" has been installed for the operation to free the hostages. [sentence indistinct]

Meanwhile, as of Wednesday afternoon, there is no visible progress in the hostage-taking crisis, which is now entering its fourth week since the hostages were abducted on 8 January 1996.

Indonesia: Claims of Arms Drop, Australian Training for OPM Rejected

BK2901082196 Jakarta REPUBLIKA in Indonesian 29 Jan 96 p 16

[FBIS Translated Excerpt] Bandung — Brigadier General Suwarno Adiwijoyo, head of the Information Service of the Armed Forces of the Republic of Indonesia [ABRI], has dismissed as untrue a document that claims the delivery of three containers of arms to the security disturbance movement [GPK, which officially refers to the OPM or Free Papua Movement] in Irian Jaya. Yesterday (28 January), Suwarno described another claim contained in the document that former Australian military officers are training hundreds of OPM members as a "big lie."

Two days ago, a REPUBLIKA source close to the ABRI's special forces in Irian Jaya did say that the ABRI had received a document claiming that a GPK faction led by Mathias Wenda received three containers of weapons in Vanimo Province, a PNG province bordering Indonesia. The document added that four former Australian military officers were training hundreds of GPK members along the Indonesian-PNG border.

According to the head of the ABRI Information Service, the whole document was deliberately invented by anti-Indonesian groups in Australia to undermine the mentality of ABRI personnel on duty in Irian Jaya. "This is a psychological war launched by anti- Indonesian groups in Australia," he told REPUBLIKA in Bandung yesterday night (28 January).

Suwarno said three containers of arms were big and therefore impossible to drop [preceding word in English] them simultaneously. "If they had three containers of weapons, their activities would certainly not have been confined to disturbing and kidnapping other people. They would have launched larger scale operations. We are convinced that their arms are limited."

John Otto Ondowame, OPM representative in Sydney, Australia, also denied the claims. John told REPUBLIKA correspondent Allan Whykes: "I think the report is untrue. Papuans have been fighting for over 30 years with bows and arrows. They are guerrillas who mainly use local tactics and knowledge and who occasionally learn from the methods used by the Indonesian Army." [passage omitted]

Indonesia: OPM Demand for Independence 'Extremely Irrational'

BK2901051596 Jakarta ANTARA in Indonesian 1521 GMT 28 Jan 96

[FBIS Translated Excerpt] Jakarta, 28 Jan (ANTARA) — Brigadier General Suwarno Adiwijoyo, head of the Information Service of the Armed Forces of the Republic of Indonesia [ABRI], says the security disturbance movement [GPK, which officially refers to the OPM or Free Papua Movement], which has taken hostage 13 members of the Lorentz 95 expedition team, is merely capable of kidnapping and threatening others to serve their interests.

"The GPK in Irian Jaya is only capable of...they can only intimidate other people; their organization has split into factions. Thus, it is not true that they have a strong force," Suwarno told by ANTARA at his residence in Bandung on Sunday night.

According to him, the ABRI already knows the GPK's strength, which is about 80 members. They are scattered and have only five long guns of various types, two [words indistinct], two "angle loop"-type weapons, and several homemade weapons. [passage omitted]

More Irrational

Suwarno said the demand of GPK leader Kelly Kwalik, who has joined the hostage-taking faction in Mapunduma Village, for the Indonesian Government to proclaim an OPM statement for independence showed that the organization had become more irrational and did not understand at all the long history of the unitary Republic of Indonesia.

"Even primary school children, including those in Irian Jaya can memorize and frequently sing the song 'Dari Sabang Sampai Merauke, Berjajar Pulau, Ituiah Indonesia [From Sabang to Merauke, There are Rows of Islands, That Is Indonesia].' Why does the GPK alone demand independence?" he said.

The one-star senior officer said the Indonesian Government and people could not be dictated to by any party wishing to undermine national sovereignty. "History has proved this," he said.

Suwarno said the GPK's demand, which was contained in documents, was extremely irrational. The demand is for the governments of Britain, the Netherlands, and Germany, whose citizens are part of the Lorentz 95 expedition team, to recognize the OPM. He said these countries are good friends of Indonesia and understand its history.

"Nevertheless, we must remain vigilant against anti-indonesian overseas groups which always try to give information detrimental to the Republic of Indonesia," the head of the ABRI Information Service said.

They have frequently used delicate tactics. Even the press can be influenced if it is not careful, Suwarno added.

Indonesia Military Urges Fretilin Remnants To Surrender

BK2601134696 Jakarta ANTARA in Indonesian 1059 GMT 26 Jan 96

[FBIS Translated Text] Dili, 26 Jan (ANTARA) — As many as 27 members of the GPK-Fretilin [security disturbance movement- Revolutionary Front for an Independent East Timor] were captured alive or voluntarily turned themselves in to local community and security forces between April 1995 and January 1996.

"A total of 27 GPK-Fretilin members were captured alive or surrendered," Captain (Reservist) L. Joko Purwadi, head of the Information Service of the 164/Wiradharma Military Area Command of East Timor, said in Dili on Friday.

The East Timor military has ambushed and captured several GPK- Fretilin members in various districts over the past week. He added that the military killed 20 others from April 1995, when Infantry Colonel Mahidin Simbolon assumed the post of commander of the 164/Wiradharma Military Area Command, to January 1996.

As many as 28 weapons of different types and hundreds of bullets were seized from the GPK-Fretilin in East Timor during that period.

"This means that only about 193 GPK-Fretilin members with 89 weapons remain in the jungles and on the mountains," he said.

Infantry Col. Mahidin Simbolon himself has repeatedly appealed to all the remaining GPK-Fretilin members in the jungles and on the mountains to voluntarily surrender to the nearest security forces or local community.

"The security forces will completely eliminate the GPK-Fretilin remnants in the jungles and on the mountains in East Timor if they fail to voluntarily surrender because they have only caused difficulties for the people and country," he said.

According to Mahidin Simbolon, residents of Indonesia's youngest province have become aware and no longer want to join the GPK- Fretilin.

"The people of East Timor are actively developing their region to catch up with the other regions. Thus, it would be better for the remaining GPK-Fretilin members to get to work and join in developing the region," he said.

Indonesia Military Team Arrests Fretilin Member in East Timor

BK2401085296 Jakarta ANTARA in Indonesian 1115 GMT 23 Jan 96

[FBIS Translated Text] Dili, 23 Jan (ANTARA) — A joint team of the Indonesian Armed Forces (ABRI) consisting of members of the Chandrasa III unit and the 1636/Bobonaro Military District ambushed and arrested Gusmao Olivio, a member of the Fretilin [Revolutionary Front for an Independent East Timor] GPK [security disturbance movement] at about 1050 Central Indonesian Standard Time [0250 GMT] Tuesday morning.

"The ABRI team pounced on Gusmao Olivio while he was in Aldino Warga's house in Lahomea village, Miliana Subdistrict, Bobonaro District," Captain (Reservist) L. Joko Purwadi, head of the Information Service of the 164/Wiradharma Military Area Command, told ANTARA in Dili on Tuesday.

Quoting Colonel (Infantry) Mahidin Simbolon, 164/ Wiradharma Military Subarea commander, Joko Purwadi said the ambush was carried out by 15 soldiers under the command of Second Lieutenant Ujang Darwis. Apart from catching the Fretilin GPK member alive, the ABRI joint team also seized a gun, three G-3 magazines, 38 pieces of ammunition, and several other things including vests and striped shirts such as those usually worn by ABRI soldiers. The team also found flashlights, medicine, and a camera, among other things.

Prior to the arrest of Gusmao Olivio, at least four other members of the Fretilin GPK had surrendered to the local community and security forces, including Maubano, alias Luirsta; Makikit, alias Matheus da Silva; and Nixon, alias Pascoal Ximenes. On 18 January, Vicente Lourdes, a member of the "Lere"-led group of the Fretilin GPK, turned himself in.

Indonesia: E. Timorese Prisoner Killed, Several Hurt in Jail Escape

LD3001164196 Lisbon RDP Antena 1 Radio Network in Portuguese 1600 GMT 30 Jan 96

[FBIS Translated Text] One East Timorese was killed and several wounded as a group of prisoners broke out of jail in Dili today. A manhunt is now in progress. Details from Antonio Sampaio:

[Sampaio] Eight of the Timorese who escaped from Bekora jail in Dili are still being sought by the authorities. Jakarta has confirmed that the unidentified group remain at large.

Resistance sources told us that at least three members of the group are already safely on their way to the territory's eastern tip.

The Indonesian authorities in Dili said that the Timorese Herminio Soares was shot dead after trying to set fire to the jail.

The number of wounded remains uncertain, with different versions ranging from five to 15.

Dili is swarming with Indonesian army patrols and all access roads have been closed. House to house searches are continuing, especially in the Santa Cruz and Matadouro areas where some of the students most active in the movement against integration with Indonesia have their homes.

The trouble started around half past midnight Lisbon time. According to the Indonesian authorities, police reinforcements were called in after the jail inmates started a riot. Officers of the Indonesian police's mobile brigade were seen at the jail and for several minutes scores of gunshots could be heard.

Doubts remain as to what actually happened and who was responsible for sparking off the incidents.

Indonesia Armed Forces Announces Reshuffle for 92 Officers

BK3001122296 Jakarta SUARA PEMBARUAN in Indonesian 26 Jan 96 p 1

[Unattributed report]

[FBIS Translated Excerpt] Jakarta, 26 Jan — In his Letter of Decision No. SKEP/62/1/1996, ABRI [Armed Forces of the Republic of Indonesia] Commander General Feisal Tanjung, reshuffled 92 ABRI officers — 31 from the Army, 24 from the Navy, 13 from the Air Force, and 24 from the Police Force. The decision is effective 1 February 1996.

The reshuffle in the Army includes Brigadier General Agum Gumelar, previously chief of general staff of the Bukit Barisan First Regional Military Command, who will become an expert staff to the ABRI commander in charge of political and security affairs. This post was previously held by Major General A. Yudono, who will become coordinator of the ABRI commander's team of expert staffs. The reshuffle was announced by Brig. Gen. Suwarno Adiwijoyo, chief of the ABRI Information Service, at the ABRI headquarters on Friday morning.

Maj. Gen. Purwantono, governor of the Armed Forces Academy, will be promoted to commandant general of the academy, while Brig. Gen. Ilyas Yusuf, deputy commander of the Army's Education and Training Institute, will replace him. Brig. Gen. R.A. Butarbutar will replace Brig. Gen. Ilyas Yusuf.

Brig. Gen. Nurdin Rizai, previously commandant of the Army Cadet Preparatory School, will replace Brig. Gen. Agum Gumelar. Maj. Gen. Ketut Wirdhana, assistant for territorial affairs to the Army chief of staff, will be replaced by Brig. Gen. Suparman, who was previously assistant to the chief of ABRI sociopolitical affairs. Maj. Gen. Ketut Wirdhana will, himself, become chief of ABRI Personnel Development Division.

The reshuffle in the Navy includes Vice Admiral Nyoman Suharta, previously commandant general of the Armed Forces Academy, who will be transferred to the navy Headquarters in preparation for his retirement. Maj. Gen. Joko Pramono, commander of the Navy Marine Corps, will be replaced by Brig. Gen. Suharto, previously deputy governor of the Navy Academy. Mardiono, assistant for operations of the Navy's Western Fleet, will be the new deputy governor of the Navy Academy.

The reshuffle in the Air Force includes Suwarso Hadisantoso, deputy assistant for territorial affairs of the ABRI General Staff, who will be replaced by Colonel Syarifudin Yunus, currently director of education and instruction of the ABRI Staff and Command College. Meanwhile, Air Commodore Suharsono will assume the post of secretary to a directorate general at the Defense and Security Department. [passage omitted on reshuffle in the Police Force]

Indonesia Army Chief Dismisses Rising Political Temperature

BK2601103696 Jakarta REPUBLIKA in Indonesian 26 Jan 96 p 11

[Unattributed report]

[FBIS Translated Text] Serpong — General R. Hartono, the Army chief of staff, has dismissed the assumption that the political temperature in Indonesia is rising before the 1997 general elections. Speaking to reporters in Bumi Serpong Damai yesterday, Gen. Hartono said he preferred to say that "the political situation is getting more lively before the elections."

To say that the political temperature is rising has a negative connotation, Gen. Hartono said. "It is better to say that the situation is lively, because such a situation is normal before any general elections," he said.

He described the current situation as normal. He added: "You have all made an issue out of it." He told reporters this yesterday after attending a ceremony to mark the Lengkong Incident, which occurred on 25 January 1946.

Asked to comment on the excitement following attempts to nominate Indonesian Democratic Party Chairwoman Megawati as a presidential candidate in 1998, Gen. Hartono was elusive, saying: "I will not comment on that." When reporters pressed him on the circulation of obscure leaflets nominating Megawati as a presidential candidate, the general said every person is entitled to become whatever he or she wants.

The Army chief said anyone is entitled to become president. "Of course, they must follow the rules of the game," he said.

Gen. Hartono also declined to answer other questions, fearing that his remarks would be misinterpreted. "People will accuse me of favoring or disliking certain figures," he said.

Megawati was also present at the ceremony to mark the Lengkong Incident. Her husband, Taufik Kiemas, is a nephew of one of the 34 military cadets killed in the incident.

Indonesia Daily on Opening of Human Rights Office in East Timor

BK2601124196 Jakarta REPUBLIKA in Indonesian 26 Jan 96 p 6

[Editorial: "The National Commission on Human Rights Opens Branch in East Timor"]

[FBIS Translated Text] The National Commission on Human Rights has written a new page in history. The National Commission on Human Rights opened its only branch in Dili, East Timor, two days ago. There are no branches in other regions; hopefully, there is no need for them.

The branch is definitely related to the human rights issue in East Timor. People, especially those abroad, seem to have heard of the many human rights cases in East Timor. Accordingly, the issue should be handled more dependably.

The National Commission on Human Rights has been regarded as a highly credible agency. Though it was established by the government, the National Commission on Human Rights has been able to present itself as an independent agency, partly due to its efficient action. Its efficiency has, in turn, been attributed to the personal integrity of its members.

There were fears initially that the National Commission on Human Rights would simply become a "cosmetic" or, at most, a supplement to the government. On the contrary, the National Commission on Human Rights has developed into an integral part of the nation. The commission is independent and impartial, and also notably upholds human rights. Its existence has further demonstrated its strength. People cannot deny the fact that its existence has won points for the government.

The branch of the National Commission on Human Rights in East Timor has generated much hope. Those who feel that their human rights have been violated will readily lodge reports with the branch. The National Commission on Human Rights has members ready to conduct field observations of any incidents. In this case, the flow of information will hopefully be balanced rather than one- sided. Thus, outsiders will not obtain only distorted information.

Final decisions will, however, rest with the National Commission on Human Rights in Jakarta, which has total authority. The Dili branch will simply bring the National Commission on Human Rights closer to the human rights cases.

Indeed, some people abroad believe that Indonesia has not done enough to address human rights in East Timor. This opinion will be eliminated now that the National

Commission on Human Rights has opened its branch in Dili, more so if its members in East Timor can maintain their independence. In other words, what they see and hear in the region must be fully reported to Jakarta. Facts should not be manipulated.

They need to have such an attitude and should not be bound by local institutions. Independence is the primary asset that must be given highest priority.

Simultaneously, the opening of the Dili branch of the National Commission on Human Rights shows that the government is more serious about handling human rights in Indonesia. We do not, however, want to have branches opened in various other regions. If that happens, it will not necessarily mean that human rights are being handled more seriously but, rather, will show that there are more human rights violations and that the National Commission on Human Rights in Jakarta is unable to cope with them.

Nevertheless, the opening of the branch of the National Commission on Human Rights in East Timor is monumental. The branch is opened in the right place and at the right time.

Commentary on Golkar's Strategy for 1997 Elections

96SE0005B Jakarta KOMPAS in Indonesian 19 Oct 95 p 4

[Text] As far as we are able to understand the atmosphere and spirit among our people, we believe that the essence of the manner in which Golkar [Functional Group] will have to try to win the general elections of 1997 is as follows. It is no longer simply the case that Golkar [Functional Group] must win and will win the general elections of 1997. Rather, it is a matter of how that victory will be sought and achieved.

That atmosphere and spirit no longer will just ensure results. Rather, at the same time the manner and the process involved will be a product of Golkar victories in the previous general elections. That is the tendency in our life. Success also brings new problems (if we may put it that way).

A Golkar victory in the general elections will provide constitutional legitimacy to the government. On the basis of a majority of votes from the people as well as in representative institutions the government can carry on the process of governing and development freely. There will be stability.

Stability is the basis for making it possible to carry on development, especially economic development. Economic development has been successful. We have made a great deal of progress in the economic sector. Our people are increasingly prosperous. We have built institutional infrastructures and developed economic skills. Indonesia is part of the amazing economic performance of Southeast Asia and the Asian-Pacific area.

The economic success which has brought progress and prosperity has also made our people move forward in the fields of education, of health, and in a number of new professions. Groups have emerged among our people with large and medium sized incomes who are well educated and who are familiar with new outlooks and forms of living.

Progress in education has resulted in a better trained, younger generation of Indonesians. The younger generation amounts to more than 60 percent of our entire population at present. It is only reasonable that young people who are educated and whose outlook and attitudes have been opened by the flow of information o73 and by their access to global living styles have their own world, their own hopes, and their own problems.

Meanwhile, our successful economic development has also brought its own problems, that is, social and economic imbalances which result in feelings of injustice. Injustices in the economy spread to other sectors.

This is because, however much it tries to be clean and honest, a government which has long been in office, unless it achieves positive results, such as continuity and stability, will also be affected by a number of weaknesses, such as we have witnessed, we have read about, or we have heard about.

The weaknesses and shortcomings which we have mentioned include those involving our basic foundations or sensitive areas, such as law enforcement, satisfying feelings of justice, violations of the law, and improper practices. The government is associated with groups which are strong and is considered to be damaging the interests of the people.

If we put together everything which happens and affects the people at the same time, the following thoughts and reflections can be stated briefly.

Results can no longer be the single standard. There is also the way things are done and the process by which they are accomplished. As reflected in political life and especially in the general elections, this means that not only the results of the general elections are the objective but also the process and the way they are held. This is not limited to the quantitative results of the voting but also to the qualitative results which, of course, depend on the way they are applied, both on election day and during the period which preceded it. This is particularly true because what attracts attention and is a standard of measurement is the process and manner in which the elections are held, and no longer just the results.

Government officials often say that the social and political awareness of the people is increasing. The growth in awareness of developments, their rights, and their obligations depend on their ability to stand on their own and make their own choices.

We should no longer ignore the fact that here and there are feelings of dissatisfaction and a lack of interest, with a resulting tendency to adopt an attitude of indifference.

It was the chief of state who warned that changes are continuing. What he meant is that an open market of ideas is coming. According to the president, whether we like it or not, and whether we are ready for it or not, this open or free market is coming, and we will have to deal with it.

In the same way there is a dynamic process which is also in effect in another area, for example, in the field of a political o73 opening toward the outside world, toward a number of waves of information which are coming, particularly through the electronic media.

The coming general elections will take place in an atmosphere affecting the Indonesian people and in the context of a global community which together demand openness and transparency, with implications for the rules of the game, "fairness," [in English in the text], the power of the community, and the role of the voters.

It is still true, if we consider our real situation, that a Golkar victory is needed to continue the process of development and to provide constitutional legitimacy which will guarantee stability.

However, and this is a major question, there is also the fact that a Golkar victory must be achieved under conditions where the people are changing and where their wishes are also changing. Indeed, this is happening in the midst of growth and changes in the standards of the political spectrum and of social forces among the people.

The effort to achieve a Golkar victory must be undertaken in the midst of an awareness and feeling, not only about the success of development but at the same time in view of problems which are increasingly being felt, such as community differences, justice, "fairness," [in English in the text] and propriety. Indeed, we must also consider the existence of a desire for change. Furthermore, if the process of development brings changes in the economy, it is only reasonable that economic success will also bring changes in other areas.

That is a picture of the conditions, climate, and problems under which the general elections of 1997 will be held. If we put them all together, the voters, the candidates, and Golkar, or the Functional Groups, in addition to paying attention to obtaining votes in a quantitative sense, must also pay attention to the manner and process which determine the quality of the voting. Indeed, this will determine the quality of the general elections themselves and the quality of development of Pancasila [Five Principles of the Nation] democracy.

Our major challenge is how the political format now in effect will be able, in the sense of political psychology and as a matter of political rationality, to handle the changes in the community, with its various aspirations and spectrums, which is also developing and changing.

Indonesia: Industries 'Need' More Research Programs

96SE0005A Jakarta SUARA KARYA in Indonesian 24 Oct 95 p 3

[Text] Jakarta (SUARA KARYA)—Research and development activity in privately owned industry in Indonesia is practically nonexistent. The absence of such research and development in private industry can damage the process of industrialization in Indonesia, because government sponsored research and development activity does not have as sharp an awareness of market conditions as private industry.

In his commencement speech in Jakarta on 23 October, the tenth anniversary of the establishment of Mercu Buana University (UMB) and the date of its sixth graduation ceremony, Dr Lukman Hakim, a research specialist at the Indonesian Institute of Science (LIPI), stated: "Government research and development activity instinctively does not have as sharp an awareness of market conditions as private business firms. Business firms in general direct their research activity at development programs which bring a quick return and contribute to the resolution of short term problems."

Meanwhile, Prof Harun Zain, the rector of UMB, stated in an explanatory report at the sixth graduation ceremony that UMB has graduated 175 scholars in its S-1 [First Level] and D-3 [Third Diploma] programs. On the same occasion Professor Probosutedjo, chairman of the Yayasan Menara Bhakti [Tower of Service Foundation], symbolically turned over a laboratory to a number of UMB teachers and officials who were considered to have performed outstanding service.

In his commencement address entitled, "Prospects and Challenges of Industrialization in Indonesia," Lukman Hakim stated that the lack of research and development activity in private industry is not because it does not have enough funds but because private industry does not yet feel the importance of research and development challenges on a continuing basis. He said that the reason why Indonesian private business does not yet feel strongly the need to master technology is that the industrial vision of Indonesian businessmen is still short. In general, Indonesian businessmen have the outlook of "traders." [In English in the text.]

Lukman Hakim continued, a change in this outlook can be o73 influenced by many factors, including the availability of alternative opportunities for business expansion. For that reason, if opportunities come to businessmen because they belong to a system of "privilege" which brings economic profits and guarantees a return from expanding the production factor, it is not profitable for businessmen to engage in technological development.

He emphasized: "The situation is different in the industrialized countries. The research and development needed to anticipate market needs fully is supported and undertaken by the producers themselves."

He pointed to the experience of Japan, whose example was later followed by newly industrialized countries like South Korea, Hong Kong, Taiwan, and Singapore. Their private sectors increased their financial expenditures on research and development activity. It is this kind of research and development tradition which has made Japanese railroad trains into the pioneers in their class throughout the world.

Lukman Hakim, who is also a teacher in the postgraduate program at the University of Indonesia, said: "Without continuous research and development activity, an industry may simply mark time. Indeed, it may have to close down because it is not able to compete."

Lukman Hakim, who holds a doctor's degree from the University of Tokyo in Japan, continued that Indonesia still pins all of its hopes for new technology on government research and development institutions. This is a precarious course to follow.

Furthermore, Lukman Hakim added, the present practice of relying completely on government research and development to resolve problems on the basis of dealing with pressing needs is basically contrary to the fundamental principle of research and development activity itself. This practice will cause institutions to be misinformed and to lose momentum.

Philippines

Philippines Police Receive 'Intensive' Training for APEC Summit

BK3101090096 Manila PNA in English 0007 GMT 31 Jan 96

[Received via Internet]

[FBIS Transcribed Text] Manila, Jan. 29 (PNA) — Some 1,700 personnel of the Philippine National Police (PNP) are now undergoing intensive security training courses in connection with the Asia- Pacific Economic Cooperation (APEC) summit meeting in November, this year, to be held in Manila and at the Subic Bay Freeport.

Sr. Supt. [Superintendent] Crisonogo Francisco, Chief of the PNP directorate for Human Resource and Doctrines Development, said the PNP has actually started the necessary training on security and protection in time for the APEC summit.

For this year, the PNP will be conducting about 21 courses for the 1,700 PNP personnel who will be tapped as security and escorts for the VIPs [very important persons] of the APEC summit meeting.

According to Francisco, among the courses to be conducted include: a) defensive driving b) protocol, cultural c) language courses.

Col. Francisco said that the Subic Bay Metropolitan Authority (SBMA) has also lined up the following courses for the APEC summit in coordination with the PNP Recom [Regional Command] 3:

— SWAT [Special Weapons and Tactics] training, especially reaction and crisis management to be conducted by a foreign group (Ashbury International Group) this February 1996.

— Airport security and safety to be conducted by the Federal Aviation Agency in March 1996.

— Airport Security CTW [expansion unknown]-VIP Protection mountaineering and disaster rescue to be conducted by the Aviation Security Command (Ascom) in April 1996.

Francisco said the ongoing training for the PNP personnel is in connection with, and in preparation for the forthcoming APEC summit meeting in the country wherein 19 heads of state and presidents of the Asia-Pacific Rim Countries, including U.S. President Bill Clinton and Japanese Prime Minister Ryutaro Hashimoto, are expected to attend.

Francisco added that last year there were about 13 courses conducted for the PNP personnel.

Among these training courses included the aviation security and safety, conducted by French expert for Ascom, and NAIA [Ninoy Aquino International Airport] personnel, and counter-hijacking and antiterrorist training conducted by Australian experts for Ascom and antiterrorist training conducted by Israeli experts for the PNP special action force command.

Philippines Navy Chief: 400 Recruits To Bolster APEC Security

BK2801134796 Manila MANILA BULLETIN in English 28 Jan 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Four hundred Philippine Navy [PN] recruits will train to support a military operation to combat terrorism during the Asia-Pacific Economic Cooperation (APEC) summit to be held in Subic Bay, Zambales, in November. Vice Admiral Pio P. Carranza, PN flag officer-in-command, said that basic military and naval training of the recruits started in the middle of last year. "Right now, we are in the process of training them basic military and naval training and later on, they will specialize in anti- terrorism," the Navy chief said. Carranza said he had given instructions to recruit more persons for the formation of sea, air, land (SEAL) teams for the APEC meet. He said the Navy would tap assets in the Subic area to provide emergency transportation.

"We should be capable of transporting the APEC delegates from Manila to Subic," he said, adding that transportation would be important in case of rains and laharflows [as received] in Pampanga that might block roads leading to Zambales.

"We will have Navy men on standby to provide assistance," Carranza said.

Philippines: Official on Terrorist Plan for Islamic State in Mindanao

BK3001042396 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 29 Jan 96

[FBIS Translated Text] National Security Adviser Jose Almonte has confirmed that a group of international terrorists plans to establish an independent state in Mindanao.

According to Almonte, this information came from Armed Forces Intelligence Services chief Angelo Reyes. Reyes revealed the information during a special briefing for Congressional members yesterday. The briefing which detailed Oplan [Operation Plan] Bojinka was ordered by the president. Oplan Bojinka is the international terrorist plan to sow terror in the Philippines. This is also the reason for the president's request for more powers. Almonte did not identify the group planning to establish an Islamic state in Mindanao, but gave the assurance that lawmakers already know what to do to prevent this.

Philippines: More on Terrorist Plan for Islamic State in Mindanao

BK3101074996 Manila PNA in English 0007 GMT 31 Jan 96

[Received via Internet]

[FBIS Transcribed Text] Manila, Jan. 29 (PNA) - Presidential Security Adviser Jose Almonte today confirmed that an international terrorist group plans to establish an independent Islamic state in Mindanao but it is up for Congress what countermeasures to take to combat terrorism.

This disclosure was contained in a special briefing for members of Congress by the Intelligence Service of the Armed Forces of the Philippines (ISAFP) in Malacanang [Presidential Palace].

The briefing was conducted by Brig. Gen. Angelo Reyes, ISAFP chief.

President Ramos ordered the briefing to declassify top secret intelligence reports on the so-called "Oplan Bojinka" — an international terrorist plot to sow terror in the Philippines.

"Oplan Bojinka" prompted the government to call Congress to enact an antiterrorism bill to counter the terrorist threat.

Among those who attended the briefing were Senate President Neptali Gonzales, Sen. Blas Ople, Speaker Jose de Venecia, Congressmen Antonio Abaya of Isabela, Raul Daza of Samar, Teodulo Natividad of Bulacan and Bonifacio Gillego of Sorsogon.

Emerging from the closed door briefing, Almonte told palace reporters that the intelligence community has shared with the legislators "the character (and) the nature of the threat of terrorism" to the country.

Almonte did not specify the international terrorist group that would set up an Islamic state in Mindanao.

But it was possible he was referring to the group of Ramzi Ahmad Yusuf, the principal suspect in the bombing of the World Trade Center in New York in February 1993.

Yusuf was in Manila last year to assassinate Pope John Paul II when the Pontiff visited the Philippines. He was able to slip before the police could arrest him.

But Yusuf was captured in Pakistan in March last year and was extradited to the United States to stand trial in connection with the World Trade Center bombing.

Two other members of Yusuf's group identified as Murad and Wali were later captured. They were also extradited to the United States.

The Philippine Government played a significant role in the capture of Yusuf, Murad, and Wali after it tipped the Interpol of their activities while in the country.

"We also shared with them the context under which terrorism operates not only in the Philippines but worldwide," Almonte added.

The government has established that the threat "is not only real, it is very real," he said.

"You have to understand that this is not ordinary criminal terrorism. It is an ideologically, politically motivated terrorism and the ideology is defined by a belief system," he said.

Almonte said that "the political goal is no less than the establishment of an independent Islamic state in Mindanao."

He explained that terrorism is much different from all other forms of violence because "it does not respect, it has no constraints (and) it can target anybody, any institutions with all the consequences."

Almonte, a retired brigadier general, said that with this disclosure, it is now "up to our policy makers to answer" as to what countermeasures have to be done to neutralize the threat.

There is a need for a legal support to fight terrorism which is threatening the country.

Legislators who attended the briefing have recognized the threat.

However, Senate President Gonzales said that "you can be sure we do not swallow everything that has been told us."

Gonzales said that the complain of the AFP [Armed Forces of the Philippines] is that there is no law that would penalize terrorism.

The antiterrorism bill sponsored by Sen. Juan Ponce Enrile has raised some controversy because of objectionable provisions such as telephone wire tapping, warrantless arrest and examination of back accounts of suspected terrorists.

The Department of Justice (DOJ) has a refined version of the bill which the Senate will look into.

Rep. Abaya, on the other hand, said that there is strong evidence terrorism exists.

He lamented that some suspected foreign terrorists arrested by the military were not prosecuted because of lack of law to prosecute them.

Sen. Ople said that the terrorist threat is real, adding that some of these are alarming.

Ople said that members of Congress are in favor of strengthening the law enforcement machinery through legislation without curtailing the civil rights of the people.

He said he will ask Justice Secretary Teofisto Guingona, Jr. to submit a bill to strengthen the entire criminal justice system.

The senator from Bulacan expressed concern that the 3,800 foreign nationals who are in the country could not be accounted for.

Rep. Natividad said that the figure 3,800 Middle East nationals did not mean that they are all terrorists but there is a possibility some of them could be.

Philippines Justice Secretary Urges Passage of Antiterrorism Measures

BK2801130996 Manila MANILA BULLETIN in English 28 Jan 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Justice Secretary Teofisto Guingona appealed yesterday for the adoption of measures to meet the new danger of terrorism which, he said, cannot be met adequately by present laws.

"Let us not wait for thunder to strike us down. Let us study the measures against terrorism before us. They are not intended to destroy rights but to protect lives. Let us do what we can even as we reform the police and promote the common good," Guingona said.

"Piracy was the dread of yesterday; today, it is terrorism. And just as nations of old formulated laws against piracy, many countries today are enacting measures to frontally fight the new menace: The World Trade Center, Oklahoma, Ipil, scenes of bloody death and destruction," Guingona said.

"Well-meaning critics say there exists no need to enact new laws, that all offenses whether done by terrorists or not are already amply covered by the Revised Penal Code and special laws.

"Not so. Take the case of Ipil. The police and prosecution there would have to chop up the pieces of that senseless butchery to fit into as many offenses punishable under present laws. Multiple murder for victims killed, arson for homes destroyed, physical injuries for those maimed, etcetera."

Guingona continued: "But each offense is already swamped by massive death and destruction similar to death and destruction caused by pirates in the olden days. Very hard to determine who among the pirates did the killing, who destroyed properties, who pillaged.

"Better to charge them with one offense: Piracy. And just as the nations then responded by making piracy a high crime, it seems imperative that the nations today now respond to this new challenge," Guingona said. "Much of the opposition stems from lack of credibility. They do not trust the police, therefore they do not want to empower them with more measures to fight this new menace. Like husbands suspicious of wives, therefore not wanting to give them more power."

"But whatever faults law enforcers may have, they are not wanting when crisis comes. Policemen fought bravely in Ipil, gallantly risking their own lives. The police who helped prevent the assassination of Pope Paul [as received] were not wanting, and they saved the nation from a world class calamity. The police investigators in the PAL [Philippine Airlines] bombing last year were not wanting," he said.

"The police today are undergoing reforms, but as just as husbands and wives suspicious of one another stand united when a new danger threatens the family let us not wait for another Ipil to strike at our doorsteps before we unite to fight the common peril," Guingona said.

Philippines Navy Denies Plans for Military Exercise With Taiwan

BK2901052696 Quezon City Radio Filipinas in English 0230 GMT 29 Jan 96

[FBIS Transcribed Text] The Philippine Navy is not planning any anti-submarine exercises with Taiwan. This was announced by a navy spokesman. The spokesman denied a report that the Philippines might be involved in such a drill.

Hong Kong's independent Chinese language daily, Ming Pao, reported that Taiwan will stage a widescale anti-submarine drill with another country, perhaps Singapore or the Philippines, but Navy spokesman Commander Anselmo Cabingan said, and we quote, there is no such thing as the Navy participating in that particular exercise, pointing out that the Philippines has no diplomatic relations with Taiwan.

Thailand

Thai Minister: List of U.S. Drug Suspects Not Received

BK2801145096 Bangkok ZHONG HUA RIBAO in Chinese 27 Jan 96 p 3

[Unattributed report]

[FBIS Translated Text] Foreign Minister Mom Ratchawong [royal title] Kasemsamoson Kasemsi told reporters yesterday that the Foreign Ministry had not received the U.S. list of 10 Thai citizens suspected of being involved in drug trafficking.

He said the police have recently arrested eight or nine drug suspects who were subordinates of Khun Sa. These suspects would certainly be extradited to the United States.

The foreign minister also said that prior to the forthcoming 25- nation Asia-Europe summit in Bangkok from 1 to 2 March, he may visit several countries to discuss preparations for the summit. He did not identify the countries, however.

He said he will chair a meeting of the foreign ministers of the seven ASEAN members and China, Japan, and South Korea to discuss the same matter in Phuket Province from 2 to 3 February.

Thai Antinarcotics Official on Testimony by U.S. Figures

BK2801114896 Bangkok THE SUNDAY NATION in English 28 Jan 96 p A2

[Unattributed report]

[FBIS Transcribed Text] Three former United States officials who testified before the Commission of Inquiry [investigating U.S. drug allegations against certain Thai politicians] last week provided no evidence to support their argument that veteran politician Narong Wongwan was framed by the Central Intelligence Agency, the Narcotics Control Board chief said yesterday.

Narong has been refused a US visa on the grounds of alleged links to drug traffickers.

Pricha Champarat, a member of the commission, said he was not present when the men testified before a subcommittee on Thursday.

"I later questioned the chairman of the subcommittee and was told that the three men did not have any evidence to back up their arguments, and that they did not come here officially," Pricha said.

The trio said after the hearing they came to Thailand to present "evidence and statements" because they did not believe anybody should be publicly accused of a crime without evidence.

Scott Thompson, an assistant secretary of defence in the Ronald Reagan administration and now a visiting senior fellow at Chulalongkon University, Daniel Arnold, a former CIA officer posted to Thailand twice during the 1960s and 1970s, and Samuel Hoskinson, who said he retired 15 months ago as vice chairman of the US National Intelligence Council, said they believed the CIA "framed" Narong.

Pricha said the three Americans were not unknown, according to their biographies.

Their testimonies and statements "were not nonsensical, but reasonable", he said, but the commission could not draw a final conclusion because it received no evidence.

The anti-narcotics chief could not say if the Americans' testimony would benefit Narong, a former Chat Thai MP from Phrae, who has repeatedly denied the accusations and unsuccessfully challenged the US government to support its allegations with evidence.

"We cannot conclude yet whether it will be beneficial (to Narong) because this is just the initial stage. To be fair, the commission has to hear from all parties concerned. To draw a conclusion after speaking to the three Americans would be premature," Pricha said.

He said he did not know if Thompson, Arnold and Hoskinson were sent here with the blessings of Washington. The US government had not informed Bangkok whether the men are reliable or not.

Asked whether he thought the trio had been hired to come to Thailand, Pricha said it's difficult to know "because they are not kids".

Thai Daily Questions Testimony of Former U.S. Officials

BK2901060396 Bangkok THAILAND TIMES in English 29 Jan 96 p A4

[Editorial:] "Drug Allegations: Just One CIA Plot After Another?"

[FBIS Transcribed Text] At what point in a man's life does he decide that his own personal perception of principle should take precedence over national interests? For some, it's when the establishment that the man served so tirelessly and for so long, decides his services are no longer of value and "let him go."

It is a manifestation of a primeval urge? An old dog wanting to show he still has one good bark left in him? Is it revenge? Or is it a set up? If it's the latter, then who is being set up, by whom, and for what purpose?

Allegations that some senior Thai politicians are involved with the drugs trade have been around for quite a while. The issue came to a dramatic head with Narong Wongwan's bid for the premiership being blocked over leaked information that he'd been refused a visa to enter the United States. This led to political instability and indirectly to the May Incident.

Full of remorse and shame for their government's blatant interference in the affairs of a friendly nation, three Americans have told an investigating committee everything they know about the charges against Narong and his Chat Thai colleague, Watthana Atsawahem. According to them, the whole thing was a CIA-inspired plot; the charges are groundless, and their government should redress the situation by offering a full and explicit apology.

These gentlemen cannot under any circumstances be considered as three ordinary Americans. There is Daniel Arnold, a former CIA chief of station here in Bangkok from 1972 to 1979. Scott Thompson was an assistant secretary of defense in the Ronald Reagan administration. Samuel Hoskinson had served as a deputy undersecretary at the State Department. All three men boast other high-powered appointments during their long careers with the US government. Their resumes are a catalog of important and sensitive assignments. They were trusted by their government — they were insiders and privy to secrets the rest of us can only speculate about.

On the face of it, therefore, their combined "confessions" should be cause for great celebration among the Narong and Watthana clans. It really doesn't matter what Washington does or says now, to all intents and purposes the game is up.

Why, then, is there an uneasy sense that this is all-just too convenient? Remember, the three "born again" Americans have spent most of their adult life in a clandestine world where truth is a relative thing. They were, to a greater or lesser degree, part of the machinery that put together the allegations against Narong and Watthana. Their connections to Southeast Asia were at a time when American interference was at its height. These gentlemen were active participants in operation of organizations that are the epitome of everything negative and reprehensible in American foreign policy. Did all three of them just wake up one day and decided to embarrass their government by spilling the beans? And, it can't pass without saying, in a most public manner.

The US government's allegations against Narong and Watthana have always been highly suspect. If there was enough information to bring an indictment, why didn't Washington's law enforcement agencies file charges? Why were Narong and Watthana refused visas? Surely, it would have been easier for authorities to obtain evidence if the two politicians were allowed freedom of movement — and perhaps more importantly — freedom from suspicion.

The statements by Arnold, Hoskinson and Thompson have an unmistaken flavor of truth and probability. But then, they've all been trained extensively to be convincing when making statements. Since the US government should have "put up or shut up" a long time ago, the evidence given by Arnold, Hoskinson and Thompson only confirms what most people have suspected for a long time anyway — that the charges were part of some elaborate political game. The question begs then: why did they have to risk their careers, their reputations and their pensions by confirming what we already knew? Conscience? Well, that's what we are being asked to believe.

If these "born again" intelligence operatives are so keen to save their eternal souls, they should offer to hold a press conference where they can be questioned on a range of topics. Their answers should be most interesting.

Thai Air Force 'Confident' of U.S. Fighter Sale

BK2901040996 Bangkok BANGKOK POST in English 29 Jan 96 p 1

[Unattributed Report]

[FBIS Transcribed Text] The Air Force is confident the United States will sell eight FA-18 jet fighters equipped with the Advanced Medium Range Air-to-Air Missile (AMRAAM) to Thailand despite reports by American officials that Washington had rejected the sale of the high-tech weapon for fear of starting an arms race.

RTAF [Royal Thai Air Force] Commander-in-Chief ACM [Air Chief Marshal] Siriphong Thongyai said at the weekend he had twice received letters and copies of a draft contract from the US State Department.

The draft contract pledged to sell eight F/A-18CD jet fighters along with short-range Harpoon and medium-range AIM-120-AMRAAM missiles in a package worth US$578 million, he said.

ACM Siriphong stressed, however, he had asked the US not to specify the model of the missiles in the draft so the RTAF could choose the one that best suited its requirements during the five- year period before delivery.

"By delivery time some five years from now, the technology of the Model AIM-120 of the AMRAAM may already be outdated. Therefore, we do not want to specify the model in the draft contract," he said.

The AIM-120 AMRAAM can destroy approaching aircraft from a range of more than 48 km and was used with devastating effect in the Gulf War.

The missile, at US$500,000 each, employs over-the-horizon technology which is yet to be introduced to Southeast Asia.

The RTAF chief said the US Congress would probably approve the Thai request in March or April.

All the reports about the AMRAAM missile deal between the RTAF and the US might not serve the interest of Thailand "because if Washington sells the missile to Thailand, then it could not refuse the request by other countries in the region to procure the same weapon," he said.

RTAF Chief-of-Staff ACM Amon Naeomali who is chairman of the F/A- 18 procurement committee, however, said the news leaks would benefit Thailand in that the US would not sell such advanced missiles to other countries first.

A day earlier a Reuter report from Washington quoted US officials there as repeating America's rejection of the Thai demand for the AMRAAM missiles, saying Washington would not be the first to introduce such a high-tech weapon into Southeast Asia.

ACM Amon said the RTAF wanted to buy 16 F-18 jet fighters.

But because of budgetary constraints, only eight were ordered first and the rest would be ordered later on.

Thai Defense Minister on 'Very Successful' Visit to Laos

BK2701140996 Bangkok Radio Thailand Network in Thai 1200 GMT 27 Jan 96

[FBIS Translated Text] The official visit to Laos by the defense minister and his delegation was very successful. General Chawalit Yongchaiyut, deputy prime minister and defense minister, said his 26-27 January visit to the LPDR [Lao People's Democratic Republic] helped strengthen ties between the governments, armed forces, and peoples of the two countries. Gen. Chawalit said Thailand and Laos, with longstanding ties as close neighbors, would cooperate in developing their two countries toward achieving prosperity.

The Thai delegation called on the Lao president, deputy prime ministers, and national defense minister for official consultations. Thailand asked Laos to free Thais detained in Laos to mark this year's 50th anniversary of the king's ascension to the throne. Thailand will consider releasing Lao detainees in Thailand. He said Thailand did the same thing with Vietnam by asking it to free Thai fishermen while Thailand seeks a royal amnesty to free the Vietnamese detained in Thailand.

On the border problem, Gen. Chawalit said the Thai-Lao joint working group has nearly reached a solution to the problem. Laos, he said, expressed concern over the operations of the Lao resistance movement. On this, Gen. Chawalit said Thailand expressed its sincerity in trying to solve the problem by giving a better understanding to the Lao resistance forces that their movement is no longer needed because Laos will join ASEAN next year. They should contribute to the efforts to develop the country.

The deputy prime minister and defense minister said another important issue in the discussions was the forging of closer relations between the armed forces of the two countries. Thailand pledged its serious support for the Lao army's role in national development. Lao soldiers are undergoing agricultural training and attending nursing courses in Thailand. This year the Thai armed forces will provide the Lao Army with medical equipment worth about 7 million baht. In the future, Thai engineering troops will assist the Lao Army in developing the infrastructure.

Thai Defense Minister on Results of Talks in Laos

BK2801133296 Bangkok THE SUNDAY POST in English 28 Jan 96 p 3

[Report by Watsana Nanum]

[FBIS Transcribed Text] Defence Minister Gen Chawalit Yongchaiyut yesterday gave his personal assurance to his Laotian counterpart Lt-Gen Choummali Sai-ngason that Thailand does not support Lao resistance forces trying to destabilise the Laotian government.

"The Thai government and its armed forces have seriously tackled the Laos' resistance movement and we would like to stress that we have not given them support.

"We have been trying hard to settle this problem and want Laos to understand this," said Gen Chawalit, noting that the visit helped strengthen bilateral ties and improve mutual understanding.

The defence minister spoke to reporters after returning to Bangkok following a meeting with Laos Defence Minister Choummali in Vientiane.

The Laotian minister is still suspicious that Lao resistance forces get support from Thailand, said Supreme Commander Gen Wirot Saengsanit who accompanied Gen Chawalit to Laos.

"I reiterated our stance that we have not given them any support and are ready to help them tackle the problem if they can provide us with information or the identities of the resistance people so we can strike swiftly against them."

The supreme commander said Laos believes some Hmong refugees living at Saraburi's Thamkrahok rehabilitation centre still carry out activities deemed to be detrimental to Laos' security.

Gen Wirot said the visit helped strengthen mutual understanding adding that the meeting also helped lessen suspicion between the two sides.

The supreme commander said by next March he would go to Luang Prabang to make merit and would bring all army regional commanders so that "they could meet and exchange ideas with Laotian military commanders".

Apart from Gen Wirot, commanders from the three armed forces including Army Commander Gen Pramon Phalasin, Air Force Commander ACM [Air Chief Marshal] Siriphong Thongyai and Navy Commander Adm Prachet Siridet also accompanied Gen Chawalit to Laos.

During the two-day official visit, Gen Chawalit had also proposed that Thai engineering soldiers construct roads and other infrastructure for Laos.

Gen Chawalit, concurrently a deputy prime minister, said during a meeting with Lao deputy prime minister Khamphoui Keoboualapha that he had asked Laos to sell more electricity to Thailand at friendship prices.

The defence minister and New Aspiration Party leader said he had asked Mr Khamphoui about the details and amendments in the foreign investment bill aimed at protecting foreign investors.

He said there were many positive improvement in many aspects of the country which help prepare it to become a member of ASEAN in 1997.

Gen Chawalit said to mark the 50th anniversary of His Majesty the King's ascension to the throne, the Thai government would free all Laotians imprisoned in Thai prisons.

Lao Foreign Minister Visits Thai Industrial Estates

BK2901081996 Bangkok Radio Thailand Network in Thai 0530 GMT 29 Jan 96

[FBIS Translated Text] According to a Ministry of Foreign Affairs news release, Somsavat Lengsavat, minister of foreign affairs of the Lao People's Democratic Republic and his eight-member delegation are currently on their visit to Thailand from 27 to 30 January.

The Lao foreign minister and delegation arrived in Bangkok on the night of 27 January. On 28 January, they visited the Pha Daeng Company factory in the Map Taphut Industrial Estate in Rayong Province. Today, the delegation will visit the Laem Chabang Industrial Estate in Chon Buri Province. Tomorrow, they are scheduled to hold official consultations with Thai Foreign Minister Mom Ratchawong Kasemsamoson Kasemsi before departing for Vientiane later in the afternoon.

The Lao foreign minister's visit to Thailand reciprocates the trip to Laos by the Thai foreign minister to attend the fifth meeting of the joint Thai-Lao cooperation commission in Vientiane from 8-9 November 1995. The Thailand visit is to strengthen Thai- Lao relations and to observe the administration and development of Thai industrial estates such as Map Taphut and Lam Chabang, as models for industrial estate development in Laos.

Thai Paper: More Talks Needed on Lao Consulate Exchange

BK3001082596 Bangkok BANGKOK POST in English 30 Jan 96 p 6

[Unattributed Report]

[FBIS Transcribed Text] Thailand and Laos are still unable to conclude a land agreement, delaying a two-year plan for the two countries to exchange consulates.

Foreign Minister M.R. [Mon Ratchawong — royal title] Kasemsamoson Kasemsi said yesterday both countries needed to talk more to find a location for the Thai consulate in Savannakhet and discuss whether Thailand would have to purchase or exchange the land.

M.R. Kasemsamoson was speaking before accompanying visiting Laotian Foreign Minister Somsavat Lengsavat on a courtesy call on Prime Minister Banhan Sinlapa-acha at Government House.

"We are looking for appropriate land in Savannakhet," said M.R. Kasemsamoson.

The Laotian side has settled the issue over the location of its consulate in Khon Kaen where local business groups have contributed a plot.

The two countries agreed to open consulates two years ago and they are waiting for their governments to approve the areas their respective offices will oversee.

Thailand's consulate in Savannakhet is due to look after six provinces in central and southern Laos — Khammouane, Savannakhet, Sekong, Attapeu, Champassak and Saravane — while the Lao consulate will take care of 19 provinces in northeastern Thailand.

The Thai and Laotian ministers had no official talks but discussed various issues while playing golf on Sunday. They did not discuss the disputed issue of Ban Rom Klao where the two countries claim the territory.

Thailand insists the village is in Chat Trakan district Phitsanulok, while Laos says it is in its province of Sayaboury.

M.R. Kasemsamoson said: "The two sides will discuss the border issue later."

The Thai Cabinet had approved the upgrading of the foreign minister to head the Joint Boundary Committee set up to demarcate the frontier with Laos, he added.

Switching the co-chairman from deputy foreign minister to foreign minister was proposed by Laos during the fifth joint meeting of their Joint Commission meeting in Vientiane last November.

Thai Task Force Put 'on Alert' on Cambodian Border

BK3001152396 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 30 Jan 96

[FBIS Translated Text] According to a report from the Thai- Cambodian border, the Khmer Rouge lost ground to Cambodian Government forces during the fighting yesterday. A correspondent's report says that Cambodian Government forces began pounding the Khmer Rouge outpost south of An Ma Pass in Choam Khsan District, Phrea Vihear Province, with heavy weapons this morning. It is located opposite Nam Yun District in Ubon Ratchathani Province. Several rocket and mortar rounds fell inside Thailand. Army Ranger Samon Chantaket was wounded.

Cambodian Government troops encircled An Ma Pass yesterday evening and routed the Khmer Rouge soldiers. Government troops overran the pass. More troops and tanks were sent to the area as reinforcements. The Khmer Rouge has pulled back from the line and is waiting for a chance to strike back and retake the outpost. According to the report, both sides remained in confrontation in preparation for a renewed attack. There has been no major assault thus far.

Meanwhile, preparations have been carried out by the military in Thailand to cope with the situation. The 6th Suranari Task Force has been on alert for any repercussions.

At the Thai-Cambodian border in Sa Kaeo Province, Major General Niphon Tharanit, deputy commander of the 1st Army Region, paid a morale-boosting visit today to troops of the Burapha Unit. He also inspected the situation in Laem Nong Ian, where a confrontation between Cambodian Government and Khmer Rouge troops was reported opposite the Thai border. The deputy commander of the 1st Army Region has ordered reinforcements to the border area and a bunker built to protect the population in case of any impact from the fighting.

Thailand: Burma Reportedly Breaches Border Accord

BK2901034496 Bangkok THE NATION in English 29 Jan 96 p A2

[Report by Somchit Rungchamratratsami]

[FBIS Transcribed Text] Mae Sot, Tak — The construction of riverside installations on the Burmese bank of the Moei River, which began yesterday, is a violation of the Joint Regional Border Committee agreement of 1994, a senior military source said yesterday.

The agreement aimed at maintaining an unspoilt landscape along both banks of the river, where Burma's Myawadi province and tambon Tha Sai Luat of Tak's Mae Sot district meet, the source said.

He said it was intended that the border, which follows the river, would be permanently delineated in the near future.

The construction of retaining walls, concrete embankments and shophouses along three kilometres of the Burmese side of the river is understood to be for the prevention of erosion.

It is also seen as a defiant response to recent reclamation on the Thai side of the river.

The work, being done by about 150 low-wage civilian labourers recruited by Burmese authorities, is seen as potentially damaging to bilateral relations already strained by conflicts resulting in the closure of the Rim Moei market and suspension of work on the Thai-Burmese friendship bridge last year.

Thai General Interviewed on Border Situation, Arms Procurement

BK2801133496 Bangkok THAILAND TIMES in English 28 Jan 96 p A2

[Interview with Lieutenant General Winit Krachangson, commander of the First Army Region, by Benchamat Chumworathayi; place, date not given]

[FBIS Transcribed Text] The First Army Region (FAR) or First Army Area is considered the most important area of all military regions in the country. It is the FAR's responsibility to protect the central and eastern regions of Thailand (including Bangkok). While the Second Army Region unit covers the northeast, the Third Army Region unit protects the north, and the Fourth the south.

THAILAND TIMES [TT]: Can you please explain on the present border situations that are under the responsibility of your region.

Lt-Gen Winit Krachangson: On the western border with Burma the situation is normal. Currently, the main function of the army is to protect the Thai border, and ensure there is no illegal passage of Burmese minority groups, both armed and unarmed. As for the eastern side, adjacent to Cambodia, the present condition is still normal, and our troops are not currently facing any severe or unusual tasks. The main duty is the suppression of smuggled goods and other illegal activities along the border.

TT: During the dry season, which runs from now until May, it is expected that the fighting between government troops and minority or anti-government forces along both borders (Burma and Cambodia) will be more severe and may affect Thai villagers living near these areas. How is the FAR preparing for this?

Winit: In the case of foreign forces encroaching into Thai territory, the FAR is fully prepared to counteract these possibilities. If foreign forces cross the border into Thai soil, the FAR will immediately counteract to expel them. But, if a battle occurs on Cambodian or Burmese soil that affects Thai villagers, then the FAR is likely to use negotiations first.

If border problems cannot be settled by negotiations and the difficulties continue to affect Thais, it will be necessary for the army to use its force to solve the difficulties in order to protect the country's sovereignty.

TT: Would you give an overview of the present state of the country's internal security?

Winit: In order for the government to ensure the stability and security of the country, there must be an effort made to develop concurrently the political, economic and social sectors, in addition to military strengthening.

TT: Is it necessary for the army to procure war weapons in order to develop its potential?

Winit: It is always necessary for the army to purchase new arms, because military weapons quickly become outdated and ineffective. For example, the M16 has been in use for almost two decades, so it is now time for the army to change to other more sophisticated weaponry. The army is currently setting up a committee to consider the issue. The committee will also consider the purchase of other war equipment, including tanks, war planes, and military communication equipment.

TT: Why is it necessary for the army to accumulate such war weapons?

Winit: It should not be considered war arms accumulation. Rather, it should be understood as necessary for the army to be prepared in case of national emergencies. Problems could occur at any time, and the army has to prepare itself in advance, as all countries must do.

However, the army must also take into account the current situations with bordering countries. It is necessary to develop the country's war weapons in balance with those of bordering countries, which actually allows for the prevention of war, since both sides may negotiate from equal ground.

TT: So do you think arms accumulation can bring peace?

Winit: Peace can be created through negotiations, but because fighting can easily develop with border countries for several reasons, it is important to have armed forces of equal strength, in order to protect the interests of Thailand.

Peace will come in the region when all countries achieve their own level of development in economic, social, political and security sectors.

TT: If the Foreign Affairs Ministry is unable to settle conflicts between Thailand and bordering countries, what role the army will play in settling the problems.

Winit: Presently, Thailand's relationships with its bordering countries are considered good and normal at both the government and military levels. This is true despite occasional border disputes.

In the instances of border disputes, the army will always try to resolve the issues through negotiations first. But, if foreign forces enter into Thai territory, this is considered a legitimate reason for the army to counteract force.

TT: What is your opinion of the role of the army in the present political system in Thai society?

Winit: The army, as well as the other armed forces, has the duty to protect and defend the country without interfering in the political activity of the country. The military sector is considered a mechanism of the government's administration.

Political problems must be settled by the political system itself. The armed forces, in general, must be concerned with defending the country, though the forces will also do their best to help people when they are suffering from problems, which impede the country's development.

TT: The armed forces have regularly been attacked of corruption for the purchase of arms. Can you give some details on this issue so as to help clarify the public's understanding on this issue?

Winit: The armed forces can explain to the public only some points of the details if necessary, but there are some areas and details that cannot be discussed because they are secret information and the release of such information would threaten the country's security.

In order for any branch of the armed forces (Army, Air Force and Navy) to make arms purchases, a committee must be set up first to consider the arms procurement. The committee will discuss the issue and determine the necessity of the purchase and the relevant security situation of the region. In addition, the committee is to ensure that the arms purchase conforms with the Armed Forces Structural Potential Development Plan.

With this procedure in place, it is difficult for them to be corrupt in arms purchases. The accusation of corruption is sometimes raised by the foreign companies who build or supply the weapons. These companies are often playing political games in order to win the concessions from the Thai government.

The armed forces have confidence in the committee members who have the responsibility to consider the purchase of arms. We are also confident that the members of these committees are honest and trustworthy individuals.

Thai Military Plan Stresses Navy, Air Force Cooperation

BK2601045496 Bangkok BANGKOK POST in English 26 Jan 96 p 6

[Unattributed report]

[FBIS Transcribed Text] The Armed Forces development plan for the next five years has stressed more cooperation between the Air Force and the Navy to safeguard undersea resources in the Gulf of Thailand, according to an informed military source.

The source said the Air Force was in the final stage of installing the Royal Thai Air Force Defence System in the south while the Royal Thai Navy would have its new helicopter carrier HMS [Her Majesty Ship] Chakkri Narubet in service in 1997.

The Air Force has already stated its intention to purchase a squadron of F/A-18 Hornets as they believe the twin-engined jet fighters could fulfill the Air Force's mission in providing protection to the country's offshore resources.

The source said: "There would be more military cooperation from the Air Force and the Navy to safeguard our sea resources and transportation sea-lane."

Rows over the mineral and oil rich-chain of islands in the Spratly Islands in the South China Sea has caused much concern for top military figures.

The islands are claimed by China, the Philippines, Vietnam, Malaysia, Brunei and Taiwan.

Military figures were aware that sea-lane transportation in the Gulf of Thailand and the South China Sea could be directly affected if conflict in the islands turned explosive, the source said.

The Navy was quite hopeful the Government would give its approval to its procurement of two diesel attack submarines whose service in the Navy would help it fulfill its long-required three-dimension fighting strategy of combat on, above and under the sea.

In other developments, Defence Minister Gen. Chawalit Yongchaiyut said on Wednesday all security information of the armed forces will be raised for public debate during a security seminar to be held in March.

The Defence Minister said after a defence council meeting that key military figures had discussed the Defence'96 White Paper which outlined the country's military strategy for next year.

The contents of the white paper will be raised for public debate during the seminar organised by the Supreme Command.

Gen. Chawalit said: "During the seminar, we will disclose all information. We will be straightforward and more transparent on the issue."

He added that such disclosures would not affect national security.

Copies of the white paper drafted by the Strategic Research Institute of the National Defence Studies Institute were distributed to all participants who were asked to send their opinions back to the institute within a week before its public distribution.

The Defence Minister said he was hopeful the seminar, to be held in Nakhon Pathom's Suan Samphran between March 19-22, would lead to better understanding among key military strategists from 18 countries, including the seven members of ASEAN, who will attend the seminar.

"We want everyone to know that we want peace and don't want to see an arms race," he said.

Defence Permanent Secretary Gen. Phaibun Emphan said he was quite optimistic the seminar would bring about a positive result and help dispel any suspicions.

Army Commander-in-Chief Gen. Pramon Phalasin yesterday said the military's strategy was a defensive one and it did not have an offensive military strategy.

"The seminar will help generate understanding that the military has prepared itself with an aim to develop the country. We don't have a strategy to make war," he said.

Thai Nuclear Research Agreements Not To Include Power Plants

BK2701091596 Bangkok THE NATION in English 27 Jan 96 p A2

[Report by Walakamon Iamwiwatkit]

[FBIS Transcribed Text] Nuclear research agreements to be signed soon with atomic institutes in the United States and India will not include cooperation on the construction of a nuclear power plant, the deputy secretary general of the Office of Atomic Energy for Peace [OAEP] said yesterday.

Manun Aramrattana said Cabinet on Tuesday gave approval for the OAEP to sign separate agreements with the US based Oak Ridge National Laboratory (ORNL) and India's Bhabha Atomic Research Centre (BARC).

"The agreements which the OAEP will soon sign with the two institutes are only for cooperation on research and technology transfer in general fields such as agriculture or industrial development."

"They are not for the development of a nuclear power plant in Thailand."

The OAEP plans to set up a "sister laboratory" with ORNL in Thailand to provide high technology protection from radioactivity.

"Only some rules and measurements to control a nuclear plant will be provided for the benefit of Thai scientists. This agreement will not involve a power plant," he insisted.

The US laboratory will cooperate with the OEAP on construction of a nuclear research reactor and in nuclear physics and nuclear electronic material development.

Manun said there is still further work to be done on the agreement with BARC before the deal with the Indian research organization can be signed.

However, areas of cooperation could include the use of radioactive isotopes in hydrology, which would aid the study of underground water resources and research into sedimentation in rivers and ports.

"We don't expect India to provide us with the technology to develop a nuclear power plant, because I don't think its technology in this area is advanced enough," the OEAP deputy secretary general said.

Thai Money-Laundering Bill Awaits Cabinet Approval

BK2901052796 Bangkok THAILAND TIMES in English 29 Jan 96 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok — Thailand's first ever anti-money laundering bill, with changes to an original one drafted by a committee in the former administration, has been already forwarded to Finance Minister Surakiat Sathianthai who is to pass it to the Cabinet for approval in coming weeks, said Finance Permanent Secretary M.R. [Mom Ratchawong — royal title] Chatumongkhon Sonakun yesterday.

The bill, drafted by the Fiscal Policy Office (FPO), is to be submitted to the Cabinet for consideration some time before Parliament reconvenes in March.

Speedy implementation of the bill was urged following a spate of drug trafficking cases, illegal prostitution involving huge amounts of money and illegal trading.

Former Chat Thai MP for Nakhon Phanom, Thanong Siriprichaphong, was extradited to the US this month to face drug charges. His case is already in a San Francisco court.

Chat Thai deputy leader Watthana Atsawahem and party advisor Narong Wongwan were accused by the United States of being involved in drug trafficking. Both were denied US entry visas.

The Chuan Likphai cabinet has approved in principle that, in the first stage, the bill shall cover only drug money.

But the new one with Surakiat does not only cover laundering of the proceeds of drug trafficking, but also of prostitution and illegal money transfers, Chatumongkhon said.

The financial chief said as Thailand intended to become a financial hub, the money laundering bill would help increase foreign investors' confidence in the country's financial system.

"A money laundering bill is a fundamental requirement for any country's financial sector, with 55 countries already having implemented their own bills.

"As a result, if Thailand doesn't introduce such a bill, foreign financial institutions would probably look elsewhere for their investment opportunities, since the risk of money laundering in Thailand would be so high," said Chatumongkhon.

Surakiat and top finance officials were recently worried about the "Mr K" case in which at least a state-owned commercial bank is believed to be involved in huge money transfers.

Mr K, hinted by a House Committee member as "Khomkrit", was suspected of money laundering. He was until last October allegedly transfering about 100 million baht a day to Hong Kong.

Surakiat has said that lacking an anti-money laundering law officials has no tool to use in investigations.

However, the pending bill will not be retrospective after enacted into law, said FPO director Somchai Ruchuphan who is part of the think-tank designing the country's first anti-laundering law.

He added the case was the subject of a bank investigation, details of which could not be disclosed as it would violate commercial bank regulations.

The information would be disclosed only if the government or the finance minister ordered it, said Chatumongkhon.

Surakiat said the completion of the money laundering bill should come about as soon as possible since it would benefit the country's financial system and boost investors' confidence.

Phenwan Thongdithae, one of bill's drafters, said the laws, if approved by Parliament, would not affect Thanong's case.

Thanong was accused of smuggling 45 tons of marijuana into the US over a ten-year period. He was indicted by US prosecutors in 1994.

Thai Article Views Criticisms of Foreign Minister

BK2901060496 Bangkok THE NATION in English 29 Jan 96 p A6

[Article by Rita Patiyasewi: "Constant Criticism Alarms Kasemsamoson, But his Position Looks Secure]

[FBIS Transcribed Text] The moment he accepted the portfolio of Foreign Minister, Kasemsamoson Kasemsi realized how much his decision to enter politics would cost him. But recent attacks on his role — or backstabbing as he might call it — have tested his patience.

In a brief outpouring of frustration, he told the Foreign Correspondents' Club of Thailand that he became a target the moment he took office.

Critics inside and outside the coalition parties wasted no time in questioning his ability and effectiveness in handling foreign affairs.

He said he was aware that in an open political system, criticism "even from anonymous small minds, is par for the course", and in a healthy democracy "well-reasoned criticism is essential".

However, the rampant criticism which abounds in Thai society nowadays was largely "unfounded, unimaginative and self-serving", he said.

Kasemsamoson's appointment to the Cabinet as a non-MP on the Nam Thai quota drew immediate and sustained attack from some Nam Thai MPs.

Headed by MP Prasit Narongdet, they viciously hit out at him over his "failure" as foreign minister and as Nam Thai secretary-general.

The circulation last week of an anonymous "black paper" criticizing Kasemsamoson, and a protest staged by people calling themselves university students, created enough of a stir to prompt the intervention by Nam Thai leader Amnuai Wirawan.

Amnuai insisted Kasemsamoson would remain as foreign minister, but he and other senior party members avoided commenting on whether the black paper was the work of disgruntled party members seeking to destroy Kasemsamoson.

The black paper attacked Kasemsamoson on border issues, and for his visionless, bureaucratic attitude". His detractors compared Thailand's "lacklustre" foreign policy to Malaysia's "offensive and outstanding" international diplomacy, that made Kuala Lumpur a "vocal voice" of Southeast Asia.

But with blessings from Prime Minister Banhan Sinlapa-acha and considerable support from Foreign Ministry permanent officials, Kasemsamoson's position looks secure — at least for now.

Supporters said his weak point could be the fact he is not a politician.

"Some party members may resent him because he does not seek political gain or try to take advantage of situations that would help popularize the party. He may have his faults, but he is the right man for the ministerial post," said a Nam Thai Party source.

There have been several occasions when Kasemsamoson and his ministry have worked behind the scenes, putting national interests and integrity before self-interest.

The intense efforts to settle the conflict which arose after Thai fishermen were killed by the Malaysian navy and the success of the Asean Summit were two cases in point, he said.

Defending his role, Kasemsamoson admitted that for the country's foreign policy to be effective, there must be cohesiveness, cooperation and coordination among all policy-making agencies. In other words, internal politics must be stable enough.

"Foreign affairs cannot be conducted in isolation from domestic affairs. To cope effectively with the challenges of the post-Cold War world, Thailand's political foundation must be developed and strengthened," he said.

His message is that as Thailand is playing an increasingly prominent role on the world stage, it is time attitude and behaviour matched the growing responsibilities, and counter-productive old- style politics should be ended.

Thailand hosted the fifth Asean Summit last month, which brought together the leaders of governments from throughout Southeast Asia in an unprecedented show of regional unity. The leaders of 10 countries also signed the Southeast Asia Nuclear Weapons Free Zone Treaty.

But Kasemsamoson's critics have expressed growing concern over bilateral relations, especially those with the Burmese junta.

Although Gen Than Shwe, chairman of Burma's ruling State Law and Order Restoration Council (Slorc), and First Secretary Gen Khin Nyunt were in Bangkok last month, and Deputy Prime Minister Gen Chawalit Yongchaiyut and Kasemsamoson himself paid earlier visits to Burma, there has been little progress in efforts to patch up differences, they argue.

The party source dismissed claims that the Foreign Ministry had taken a back seat in the handling of problems with neighbours. He said Kasemsamoson had made intense efforts during talks on Thai- Burmese relations and during attempts to resolve hiccups in Thai-Lao relations.

He said Kasemsamoson may soon travel to countries in the South Pacific to look at opportunities in fishing.

Kasemsamoson has often said that relations with neighbouring countries could not have deteriorated in 24 hours, and that most problems were long-standing.

The minister said it was his belief Thailand should build, maintain and enhance security and prosperity through international cooperation, keeping in mind that drawing neighbours into the economic mainstream of Southeast Asia would allow Thailand to build a durable basis for regional peace and stability.

Kasemsamoson said that through regional cooperation, intra- regional trade could be promoted, and that would improve the region's leverage in international affairs.

Groupings such as the Association of Southeast Asian Nations (Asean), the European Union, the South Asian Association of Regional Cooperation and North Atlantic Free Trade Area were effectively becoming, or had the potential to become, regional economic networks.

"With the consolidation of Apec (the Asia-Pacific Economic Cooperation forum) and new initiatives such as the Asia-Europe Meeting scheduled for early March, we can expect the regional groupings to be linked by a growing number of inter-regional dialogues, forming an even larger and more intricate network," Kasemsamoson said.

Thai Officials Submit 66 Insurance License Applications

BK2701093796 Bangkok BANGKOK POST in English 27 Jan 96 p 15

[Unattributed report]

[FBIS Transcribed Text] Sixty-six applications for life- and non-life insurance operating licences have passed scrutiny by government selectors and will be forwarded for Cabinet approval shortly.

The Cabinet will have the final say over how many licences to grant, but the Commerce Ministry favours approving all 66, citing a study that says Thailand can support up to 71 new firms.

Officials also believe that not all of the winners will necessarily follow through with plans to establish new insurance companies.

The names on the list — the ministry received 87 applications originally — include some of Thailand's biggest business concerns, including the CP Group, Finance One Group, Sahawiriya, TPI and Alpha Group.

They have passed a screening processes involving three sub- committees set up by the ministry after applications closed last September.

Thirty-five companies are in line to obtain the life-insurance licences, and 31 are seeking non-life insurance licences.

If all are approved, Thailand will have 47 life-insurance companies and 98 general insurers.

A ministry study says the country can accommodate up to 36 new life-insurance companies and 35 new non-life insurance companies. These totals should meet life-insurance market needs through 1999 and non-life market needs through 1998, based on annual growth rates of 20% and 18%, respectively.

By that time, the ministry expects the operations of the new insurance companies to be steady.

The ministry is also optimistic that the new insurers will not represent a serious threat to the business of established firms.

The study notes that the new licences would bring the number of insurers in Thailand into line with the number in Indonesia, whose gross domestic product is similar.

Indonesia has 50 life insurers and 94 general insurance firms.

Deputy Commerce Minister Phairot Suwanchawi was confident of Cabinet approval of all 66 companies, saying the screening process was transparent and strictly followed the policy of the previous government, which initiated the process.

He also believes some companies that qualify for licences will withdraw because they may not be ready to fulfill all the requirements.

Commerce Permanent Secretary Somphon Kiatphaibun agreed, adding that even if some of the new companies fail, the effects would not be serious. They could use their capital to pay back the public or transfer their customers' contracts to other companies, he said.

A ministry official said the licence issue is not on the Tuesday's Cabinet meeting, but it is expected to reach the Cabinet soon.

The 31 companies that have qualified for general insurance licences are:

Phet Insurance, Phutthatham Insurance, Lumphini Insurance, Alpha International Insurance, Pan International Insurance, Advance Insurance, Thanakit Insurance, Osotsapha Insurance, Sahawiriya Insurance, Indo-Thai Insurance, Chaopraya Insurance, Charoen Phokphan Insurance, Thai Thana Insurance, Export Insurance, Mahachon Insurance, Pacific Union Insurance, Thai Charoen Insurance, Phonphat Insurance, MBA Insurance (Thailand), Thanachat Insurance, Asia Dynamic Insurance, Thai-Yachida Insurance, Thai Asia Insurance, Safety World Insurance, Baiyok Insurance, MP Insurance, Rung Ruang Insurance, Asia Insurance, Pacific Insurance, SM Insurance and Union-Zurich Insurance.

The 35 qualifiers for life-insurance licences are:

Osotsapha Insurance, Wall Street Insurance, Thai Union Insurance, Phonphat Insurance, Advance Assurance, Pan International Insurance, Thanachat Insurance, One Insurance, SITCA Insurance, Alpha Life Insurance, Reality Life Insurance, Thai Damrong Insurance, Nakhonthon Insurance, Amstil (Thailand) Insurance, Sahawiriya Insurance, TPI Insurance, Sinakhon Insurance, Charoen Phokphan Insurance, ING Siam Insurance, Pacific Insurance, Thai Phitak Insurance, Thai Charoen Insurance, People Life Insurance, Union-Zurich Life Insurance, United Business Trading (1996) Insurance, Siam Greater Mekong Insurance, Thai Balani Insurance, Exxa Insurance, Nithithat Insurance, World Insurance, Nithipat Legal & General Insurance, Kasem Insurance, Thai Tiana Insurance, SSSI Insurance and United Insurance.

Vietnam

SRV: Border Talks Held With Chinese Delegation

BK2401115196 Hanoi Voice of Vietnam in English 1000 GMT 24 Jan 96

[FBIS Transcribed Text] Vietnam and China have held discussion on building border peace and friendship between the two countries. The border talks were held during a seven-day Vietnam visit by a delegation from the Guangzhou Military Zone of China. The Chinese delegation held working sessions with the commands of military zones No. 1 and 3.

SRV: Cooperation Agreements Signed With Israel

BK2401145896 Hanoi VNA in English 1449 GMT 24 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan. 24 — Vietnam and Israel have sealed agreements on economic, scientific, technological, commercial and agricultural cooperation, and on tourism, and a memorandum of understanding on customs.

Signatories to these documents for Israel were Finance Minister Avraham B. Shohat and Ambassador to Vietnam Uri Halfon, and for Vietnam were Deputy Minister of Foreign Affairs Nguyen Dinh Bin, head of Vietnam Tourism General Administration Do Quang Trung, and head of the Vietnam Customs General Department Phan Van Dinh.

Minister Shohat arrived here on Jan. 22 as head of an Israeli delegation. The guests held talks with Vietnamese counterparts on their respective countries' economic and financial activities with a view to promoting bilateral trade ties. The delegation also had working sessions with the Ministries of Agriculture and Rural Development, Industry and Planning and Investment, the Vietnam Post and Telecommunications, the Customs General Department, the State Bank, and other state agencies.

Earlier, the Israeli guests held a press briefing on the results of the first visit to Vietnam by an Israeli Government delegation since diplomatic ties between the two countries were set up in 1993.

The guests paid tributes to President Ho Chi Minh at his mausoleum, called at some cultural and economic establishments during their stay here.

SRV Prime Minister, New Italian Envoy Discuss Ties, Aid

BK2601154596 Hanoi VNA in English 1451 GMT 26 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan. 26—The Government of Italy has decided to grant Vietnam a preferential credit worth USD [U.S. dollar] 60 million to help the two countries' entrepreneurs to carry out small- and medium-size projects, the newly-accredited Italian ambassador to Vietnam, Mr. Z.D.S Mario Vittorio [name as received], told Prime Minister Vo Van Kiet in a reception given by the latter here yesterday.

The Italian diplomat also affirmed that Italy, in the position of president of European Union (EU) in the first six months of 1996, will actively urge E.U member countries to boost their multi-sided cooperation with Vietnam in the interest of both sides.

Mr. Z.D.S. Mario Vittorio held that potential for cooperation between Italy and Vietnam remains to be exploited. The Italian Government will exert greater efforts to enhance bilateral cooperation in economic, cultural, commercial, and political domains. He also informed Mr. Kiet of his plan of work during his tenure in Vietnam for closer friendly and cooperative ties between the two countries.

Speaking to his guest, Prime Minister Kiet held that the Vietnam-Italy relations had seen fine steps of development and thanked the Italian Government and people for their assistance and support to Vietnam in the past as well as in the current renovation process. The two countries [words indistinct] now see new opportunities and conditions for their further cooperation in fields that Italy possesses potential and Vietnam has demand, and Vietnam hopes to receive further assistance from Italy in the fields of economic development, management, technology transfer, and personnel training.

SRV Party General Secretary Meets Greek Communist Delegates

BK2501142296 Hanoi VNA in English
1449 GMT 24 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan. 24 — General Secretary of the Communist Party of Vietnam [CPV] Do Muoi this afternoon held talks with a delegation of the Communist Party of Greece (KKE) led by Harilaos Florakis [name as received], honorary president of the KKE, which arrived here today for an official visit.

Party leader Do Muoi spoke highly of the activities of the KKE over the past 78 years as well as the outstanding achievements the KKE recorded in the implementation of the resolution adopted at the 14th KKE Congress over the past five years.

Mr Do Muoi also informed his guests of Vietnam's policy of renovation as well as measures to implement that policy along socialist orientation. He also briefed them on the preparation for the 8th National Congress of the Communist Party of Vietnam scheduled for the second quarter of this year.

Mr Florakis expressed his admiration for the historic victories of the Vietnamese people under the guidance of the CPV in the past as well as the important achievements in the present renovation process.

The two party leaders also compared note on prominent global and regional issues of mutual concern as well as measures to boost development of relations between the two parties and peoples.

The talks were followed by a state dinner hosted by Mr Do Muoi in honour of the Greek delegation.

SRV Vice Trade Minister Visits Albania; Agreement Signed

BK2601123996 Hanoi Voice of Vietnam in English
1000 GMT 26 Jan 96

[FBIS Transcribed Text] Vietnam and Albania have signed an initial agreement on economic, trade, cultural, and scientific cooperation between the two governments. The agreement was signed during a visit to Albania by Vietnamese Trade Vice Minister Nguyen Xuan Quang.

SRV Deputy Prime Minister Receives Uzbekistan Delegation

BK2501143096 Hanoi VNA in English
1224 GMT 25 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan.25 — Deputy Prime Minister Tran Duc Luong received a visiting foreign trade and foreign affairs delegation from the Uzbekistan Government here yesterday led by First Foreign Trade Deputy Minister Ganiev.

Deputy Minister Ganiev informed Deputy Prime Minister Luong of his country's socio-economic reform in recent years and the purpose of the delegation's working visit to Vietnam. He confirmed the great potential for bilateral cooperation, commercial exchange and business on the basis of mutual benefit.

Deputy Prime Minister Luong, for his part, expressed his pleasure at Uzbekistan's achievements in the economic renovation process and hailed the delegation visit to Vietnam. He also expressed his wish that cooperative relations between the two countries would be further strengthened and developed.

During its stay in Vietnam from Jan.23-26, the delegation has had working sessions with the Ministry of Trade, the Ministry for Foreign Affairs, the Ministry of Planning and Investment, the Ministry of Finance, the Ministry of Science, Technology and Environment and the National Tourism Administration.

SRV 'Feature' Reviews 1995 Export Achievements

BK2601023596 Hanoi Voice of Vietnam in English
1000 GMT 25 Jan 96

[From the "Vietnam's Economy" feature]

[FBIS Transcribed Text] 1995 witnessed a GDP growth rate of 9.5 percent. Export value was estimated at $5 billion, an increase of 38 percent over 1994. This is a record figure in the history of Vietnam's trade.

Generally speaking, all 10 major export items increased. Seven million tonnes of crude were exported, an increase of 12 percent, while garments increased by 37 percent; seafood, 15 percent; rice, 6 percent; and coffee, coal, cashew nuts, and sportwears increased remarkably over the previous year. As for tin, though export value was only $15 million, it is a precious and rare global export item. Last year Vietnam exported 3,300 tonnes of tin, a 44.5 percent increase over 1994. Foreign trade economists hold that the rapid growth in trade was attributed to three factors: Widening of market, improvement in qualities, and an increase in world prices.

Vietnam now has trade relations with 105 countries. Garments exported under the quota system to European Union and Canada increased remarkably while garments exported to non-quota market accounted for half of total export value of the item. Processed farm produce has increased. Mention should be made of the improvement of the quality of rice from 30 percent to 60 percent, reaching international standards. The improvement of the qualities of products has helped increase export value. This contributes to balancing trade payment, ensuring import of machinery, equipment, and fuel.

1995 also saw a heating domestic market. Total commodity circulation in society was 150,000 billion Vietnamese dong, an increase of 20 percent over 1994. Retail volume of goods also increased. Goods show the great possibility in payment and increase in the purchasing power of the population and an improvement of the people's life. [sentence as heard]

Entering 1996, the first year of the new five-year plan from this year to the year 2000, Vietnam hopes to introduce new export items of high quality in the world market. Vietnamese produce will be found familiar to foreign customers.

SRV: Do Muoi Highlights Activities for National Economy

BK2601120196 Hanoi Voice of Vietnam in English 1000 GMT 26 Jan 96

[From regular "Talk of the Week" feature: "Second part" of report on Do Muoi's speech at conference with party officials in Hanoi; date not given]

[FBIS Transcribed Text] Vietnamese Party Leader Do Muoi has highlighted important activities to be implemented by grassroots party committees in preparation for the eighth national party congress. He was speaking at the recent meeting with party officials. Last week, we brought you the first part of his talks. Now, here is the second part:

Regarding the development of the multisectoral economy, Party Leader Do Muoi said that the state-owned economy should be consolidated and strengthened in order to fulfill its major role in the economy. State-owned enterprises should renovate their technology and equipment, renew management, and increase productivity, quality, and effectiveness and develop their market outlets.

The party leader pointed out that it was necessary for the cooperatives to make clear what responsibilities of the state were, and what were the responsibilities of the cooperatives and private companies on farm in the three important stages of agricultural production, namely land, irrigation, and pesticide.

Responsibilities for agricultural material supply, agricultural production consumption, and agriculture and rural industrialization should be clearly identified. He added that various economic sectors should take part in providing services in agriculture and rural development.

Party Leader Do Muoi said that in order to implement industrialization, personnel training was also very important, requiring people who love the country and people who sacrifice themselves for national independence, socialism, national defense, and security and who know how to build the prosperous country with rich people.

He also called for thrift and mobilization of domestic capital to invest in industrialization. For Vietnam, borrowing loan source from overseas was now very necessary but Vietnam must discuss how to utilize the loan effectively to develop the economy.

SRV Regulation on Self-Defense Militia Promulgated

BK2501145796 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 25 Jan 96

[FBIS Translated Text] The Presidential Office held a news conference this morning, 25 January, to introduce a presidential order promulgating a regulation on the self-defense militia passed by the National Assembly Standing Committee on 9 January.

Senior Lieutenant General Nguyen Trong Xuyen, deputy minister of national defense, presented the contents of the regulation on behalf of the Ministry of National Defense. This is the first time that a regulation on the self-defense militia has been promulgated by a state authoritative organ.

Article 1 of the regulation says: The self-defense militia is a popular armed force that is inseparable from production and work. It is a component of the SRV People's Armed Forces and is placed under the leadership of the Communist Party of Vietnam, under the operating management of the government and the people's committee concerned, and under the direct guidance and command of the military affairs organs at various levels. It is a vital instrument for protecting the party, administration, and people's lives and property as well as the property of the state and the infrastructure.

Articles 2 and 3 of the regulation stipulate that all able-bodied Vietnamese citizens aged 18-45 for men and 18-40 for women are obligated to join the self-defense militia force, irrespective of their ethnic group, religious faith, or social strata.

SRV: Binh Dinh Improves Party Task, Admits 1,190 Members

BK2501061796 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 24 Jan 96

[FBIS Translated Text] Binh Dinh provincial party committee in 1995 paid special attention to revamping and developing the party building task, especially in enhancing the quality of young party members.

The provincial party propaganda and training committee has coordinated with various echelons of party organization to organize courses for more than 2,300 persons to study party work.

The province admitted 1,190 new party members last year, 65 percent of them were outstanding members of the Youth Union and 14 percent had graduated from universities. During the 1991-95 five year period, Binh Dinh Province has admitted 3,776 new party members.

Australia

Australia: French Envoy 'Unable To Indicate' if Testing Complete

BK2801121996 Melbourne Radio Australia in English 1100 GMT 28 Jan 96

[FBIS Transcribed Text] The French ambassador to Australia, Dominique Girard, says he is unable to indicate whether France has ended its nuclear testing program in the South Pacific. France has said it may only need to carry out six tests instead of eight as it originally announced. Mr. Girard was called into the Department of Foreign Affairs and Trade and contacted by Foreign Minister Gareth Evans, who told him he hoped today's sixth underground detonation would be the last. Ambassador Girard said it not yet known whether France needs to carry out further tests and he hopes normal relations will resume between France and Australia:

[Begin Girard recording] We all have to accept that between grown-up countries, you can have differences, you can have a good political fight, and you can go back to normal relationship when this major issue is solved or it considered solved or behind you. So it is what going to happen. [end recording]

Australia: Federal Elections Scheduled for 2 Mar

BK2701065796 Melbourne Radio Australia in English 0500 GMT 27 Jan 96

[FBIS Transcribed Text] Australia will go to the polls on Saturday, 2 March, in a federal election which Prime Minister Paul Keating says will determine the country's future direction. The prime minister says he is confident his Labor Party will win, even though the government is well behind in the opinion polls. Mr. Keating says the election will be about leadership and the further mandate for his government, which he says has given Australia a prominent place in the world and provided strong economic and employment growth. Federal opposition leader John Howard has welcomed the election date following weeks of speculation.

The key to the outcome of the election will be results in the many marginal seats. Graeham World reports from Canberra that more than 50 of the 148 seats in the House of Representatives are held by margins of less than 5 percent:

[Begin World recording] The target to form government is 75 seats in the House. On the current boundaries, the coalition needs seven more seats to win power. Across the nation, Labor holds more of the marginal seats than the coalition, around a dozen of them in regional areas of Queensland and New South Wales [NSW]. Labor holds a historically high number of seats in NSW — 33 of the 50 — and the Liberals confidently expect to make inroad there. In Queensland, Labor is polling poorly and will lose seats, but in Victoria there is a batch of marginal Liberal seats. Labor hopes to win some of them to offset losses elsewhere. In Tasmania, South Australia, and the west there are marginal seats for both sides. All of them crucial for deciding the overall result. [end recording]

Repeating, the federal election will be held in Australia on Saturday, 2 March.

Fiji

Fiji: Minister Demands End to French Nuclear Tests

BK2901091996 Hong Kong AFP in English 0859 GMT 29 Jan 96

[FBIS Transcribed Text] Suva, Jan 29 (AFP) — Fijian Foreign Minister Filipe Bole demanded Monday that France "come to its senses" and cease its nuclear testing program in the Pacific immediately and permanently.

Bole was speaking after the latest French test, which was detonated at Fangataufa Atoll Sunday, the sixth in a series that has sparked widespread condemnation.

Bole said he was "dismayed at the arrogance and contempt the French government has shown to the world by launching the current testing programme when world opinion is so strongly and clearly against the idea."

Given the French government's unfortunate and irresponsible attitude, he said, he could do nothing but "demand that the French government come to its senses and cease its testing programme immediately and permanently."

He said the latest test made a mockery of the recent announcement by President Jacques Chirac that France would sign the South Pacific Nuclear-Free Zone Treaty and support efforts to conclude a Comprehensive Nuclear Test Ban Treaty.

Strong condemnation has also come from South Pacific Forum secretary general Ieremia Tabia, who said the outrage of forum countries against France grew with each successive test.

Tabai said regional and international opinion, including that of the United Nations, was unanimous in its "unequivocal condemnation" of the French tests.

"That France continues to test in these circumstances is a demonstration of arrogance and intransigence that will have an adverse impact on its reputation and relations with countries in the South Pacific Forum long after the tests end," he said.

In the French Pacific territory of New Caledonia, the leading pro-independence group called on Chirac to end the test series.

"Whatever motives there may be for the sake of French national defence...by carrying out this latest test, France is continuing to remain deaf to protests of the peoples and countries of the South Pacific," the Kanak Socialist Liberation Front (FLNKS) said in a statement issued Monday.

France "is continuing to turn its back on the disastrous economic consequences facing the (French) Overseas Territories because of the nuclear tests."

New Zealand

New Zealand: South Pacific Countries Say French Tests Damaged Ties

BK2901063596 Melbourne Radio Australia in English 0500 GMT 29 Jan 96

[FBIS Transcribed Text] South Pacific countries have warned that relations with France will be damaged long after Paris has shut down the nuclear testing facility in French Polynesia. Their representative body, the South Pacific Forum says France's sixth nuclear test in the region is a demonstration of its arrogance and intrasigence.

The secretary general, Jeremia Tabai, says it will damage France's reputation and undermine relations with Pacific islands. New Zealand's foreign minister, Don McKinnon, also warned that repairing damaged bilateral relations would be difficult. Mr. McKinnon told reporters he had conveyed the anger of the New Zealand Government to the French ambassador to New Zealand, Jacques le Blanc.

Mr. McKinnon said Mr. le Blanc had acknowledged that a lot of work was needed to rebuild relations. However, Mr. le Blanc said after the meeting he hoped good relations would resume with New Zealand after France ended its nuclear testing program. He said he hoped it would be the last time he would be called in to see the foreign minister over the nuclear blast.

New Zealand: Minister Claims Economy in 'Soft Landing'

BK2701123896 Christchurch THE PRESS in English 26 Jan 96

[Report by a "Wellington reporter" — received via Internet]

[FBIS Transcribed Text] Finance Minister Bill Birch hailed a 4.6 per cent annual growth figure to the September quarter as proof the economy was experiencing a "soft landing".

The latest GDP figure included a 0.8 per cent rise in economic growth for the September quarter itself and was in line with most market expectations.

It was higher than the 0.1 per cent revised figure for the June quarter.

The annual figure of 4.6 per cent continues a gradual slowdown in economic growth since the recent high of 6.4 per cent in June 1994.

However, Bankers Trust economists suggested that the out-turn might indicate that growth had bottomed out in the second half of 1995 and was close to turning.

Mr Birch said that the figures showed that the economy had adjusted to low inflation and was still growing at a much faster rate than in the 1980s.

However, the Canterbury Manufacturers Association argued that the figures underscored the need to find other means of fighting inflation.

Chief executive Michael Hannah contrasted the quarterly drop of 1.7 per cent in manufacturing activity with a sharp rise of 2.1 per cent in the service sector.

All sectors might benefit from the prospect of higher income through tax cuts this year, but the productive sector was negatively affected by high exchange rates.

These were the prime anti-inflationary weapon and did not impact on the service sector, Mr Hannah said.

As a result, manufacturing activity last September was at the same level as a year earlier.

"Basically industry has lost a year's growth," he said.

Manufacturers last year urged the Reserve Bank to widen its armoury of anti-inflation weapons from the present exchange and interest rates.

Mr Hannah reiterated this call yesterday, urging the opening up of the remaining protected areas of the economy including electricity generation, ACC [expansion unknown], and central and local government operations.

Statistics New Zealand noted that manufacturing activity had fallen for the second consecutive quarter, after 10 quarters of increases. Within the sector the biggest drop was in fabricated metals.

This, along with a slow-down in imports, was influenced by reduced investment spending.

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